Heat treating plus lubricators extend rail **service life** by eight times ..... p. 12

September 4, 1961

RAILWAY AGE WEEKLY

R COMP
EDITORIAL DEPT
UNIV MICROFILMS INC
313 N FIRST ST
ANN ARBOR MICH

Why are mergers necessary?

What is the public's stake?

What do they mean for labor?

Will they create monopolies?

What are the major trends?

Transport forum explores mergers

p. 9

What are merger procedures?

What about financial problems?

60 cents A Simmons-Boardman TIME-SAVER Publication

HENSCHEL

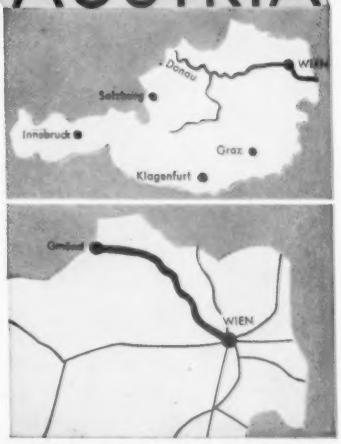


Henschel - GM Diesel - Electric Locomotive **Model J 12**
Austrian Federal Railways Class VL 2050, 1425 HP, BoBo,
72 tons with train heating equipment.

Since 1958 the first batch of ten of these locomotives are in service on Austrian Federal Railways' non-electrified main and branch lines. Today their record of reliability and versatility is still unsurpassed, enough reason for the Administration to place another order for identical units for delivery in 1961.

The HENSCHEL-GM Model J 12 fully corresponds to the ORE standardisation rules for class "f" diesel locomotives.

AUSTRIA



HENSCHEL-WERKE GMBH KASSEL GERMANY

GENERAL AMERICAN AIRSLIDE® CARS

Here's measurable endorsement of General American Airslide Cars for shipping dry powdered or granular materials. Bulk shipments are safe from contamination. Unloading by any means of conveying is easy and economical—particularly for those materials which tend to bridge or pack in transit. If you ship flour, sugar, starch or similar materials—it will be well worth your while to find out how your costs can be cut and performance improved with Airslide cars.

MORE THAN 5000 IN SERVICE!

Airslide® and Dry-Flo® Car Division

GENERAL AMERICAN TRANSPORTATION CORPORATION

135 South LaSalle Street • Chicago 3, Illinois

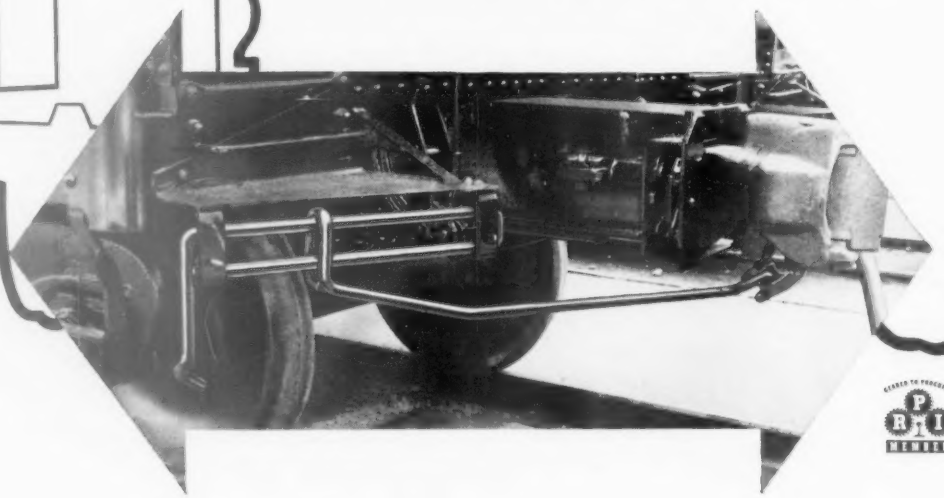
Offices in principal cities



COUPLER OPERATING NEWS
FROM STANDARD RAILWAY

The Coupler Device for LONG TRAVEL

Major new advance in release rigging! From Standard Railway comes the "L-o-n-g T-r-a-v-e-l" coupler device for sliding underframes and wide opening strikers. Never before such operating freedom with no limitation on coupler position. Developed with a very minimum number of parts, this newsworthy device (technically designated as Style #2) naturally maintains uniform clearance between operating rod eye and locklift lever under all road conditions. Impossible for eye to rotate lever towards lock set position. Safe, positive operation. The new "L-o-n-g T-r-a-v-e-l" coupler device . . . another in a series of improvements by Standard Railway Equipment to parallel the pace of modern freight car design. Address your inquiry to *Standard Railway Equipment, Hammond, Indiana.*



STANDARD RAILWAY EQUIPMENT
division of STANRAY CORPORATION
CHICAGO, ILLINOIS • NEW YORK, NEW YORK • SAN FRANCISCO, CALIFORNIA

RAILWAY AGE

WEEK AT A GLANCE

Sept. 4, 1961 • Vol. 151, No. 10

Transport forum explores mergers

Transport mergers can work, if properly planned and carefully executed. But they're no panacea. That's the conclusion of last week's forum of experts at Northwestern University p. 9

How B&O makes rail last longer

By using heat-treated rail and lubricators, the road expects to obtain a rail service life eight times that of untreated rail without lubricators .....p. 12

Kardex 'instructs' C&O's EDP

The road has made computer instruction readily available by using a Kardex filing system. The instructions, over 1,000 of them, are easy to find and easy to maintain p.15

Greenville builds aluminum car

The first U.S.-built, Alcan-designed aluminum tubular covered hopper car has just been completed by Greenville Steel Car Co. for delivery to the Southern Pacific p.16

New GATC tank car scores with shippers

The new 30,300-gallon tank car, the first of which was delivered in June, is becoming a familiar sight in liquefied petroleum gas territory p.18

Burlington ticket sales still climbing

Annual passenger business at the road's Travel Headquarters, the Chicago city ticket office, has moved upward ever since Headquarters opened in March 1940 .....p.20

The 'General' will ride again

The locomotive, probably the most famous in U.S. history, is being put into operating condition so it can participate in the Civil War centennial observance p.22

Departments

Current Railroad Questions 17
Freight Carloadings 31
New Equipment 31
New Products Report 29
Operation Speed-Up 11
People in the News 35
Railroading After Hours 28
Railway Market 31
Supply Trade 35
The Action Page 38
Watching Washington 10
You Ought to Know 36

Editorial Staff

• Editorial and Executive Offices
New York 7, 30 Church St.

JAMES G. LYNE, Editor
ROBERT G. LEWIS, Publisher
JOE W. KIZZIA, Executive Editor
Managing Editor.....Fred C. Miles
News Editor.....Luther S. Miller
Traffic-Transportation.....G. C. Hudson
Mechanical
C. L. Combes F. N. Houser, Jr.
Signaling & Communications
Robert W. McKnight Robert J. Barber
Associate Editors
Rod Craib Harry M. Grayson, Jr.
Librarian.....Edith C. Stone
Editorial Assistant.....June Meyer

Art Director.....Russell F. Rypsam
Design and Layout.....Joel Petrower
Director of Research.....J. W. Milliken
Production Manager.....Joseph J. Menkes
Manager, Contract Dept....Elsie M. Pritchett

• Chicago 3, 79 West Monroe St.
Western Editor.....Gus Welty
Regional News.....William V. Tuite
Mechanical.....Norman E. Gillespie
Engineering.....M. H. Dick
R. E. Dove E. W. Hodgkins, Jr.
Purchases & Stores..Bert Enos, Richard Stahl
Editorial Assistant.....Wanda Brown

• Washington 4, National Press Bldg.
Washington Editor.....Walter J. Taft

• The Hague, Netherlands, Lange Poten 29
International Editor.....Gordon Huffines

Railway Age, established in 1856, is indexed by the Business Periodicals Index, the Engineering Index Service and the Public Affairs Information Service. Name registered in U.S. Patent Office and Trade Mark Office in Canada. Published weekly by the Simmons-Boardman Publishing Corporation at 440 Boston Post Road, Orange, Conn. Second-class postage paid at the Post Office at Orange, Conn. James G. Lyne, chairman of the board; Arthur J. McGinnis, president and treasurer; Duane C. Salisbury, executive vice president; George Dusenbury, vice president and editorial and promotion director; Robert G. Lewis, Joe W. Kizzia, M. H. Dick, M. J. Figa, vice presidents.



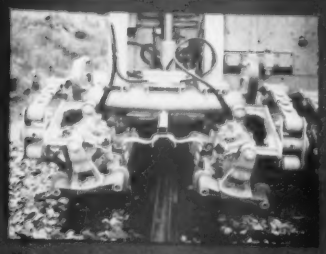
the JACKSON TRACK MAINTAINER

the best will be even better for '62!

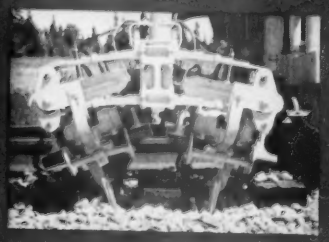
The fact that there are more Jackson TRACK MAINTAINERS in use than the total of all other machines in its category clearly indicates that in the opinion of experienced trackmen it is by far the BEST. Good as the '21 and its predecessors have been, mighty important improvements will be incorporated in the 1962 model soon to be announced. You can specify the Jackson TRACK MAINTAINER, and any of the other JACKSON tamping equipment, with complete confidence that it will enable you to put up and maintain the longest-lasting high quality track at the very minimum of cost. For more than 40 years JACKSON has occupied the top spot as builders of the best tamping equipment available . . . all backed by a practical, wholehearted field service that has no equal in the railroad world.

JACKSON VIBRATORS, INC.
LEXINGTON, MICHIGAN

Write, wire or phone for further information.



Note how the tamping bars get right under the rail and under the tie, all the way from the end to the specified distance between the rails.



RAILWAY AGE

WEEK AT A GLANCE

ICC proposes passenger subsidies

To keep essential trains running, the Commission would have Congress authorize direct federal aid to passenger roads. Subsidies could amount to $52,000,000 a year p.24

NYC fights for LCL embargo

The ban would be "temporary," pending the outcome of Central's plea for an easing of restrictions on its trucking operations .....p. 27

Action Page—How adequate are managers?

Railroad management is often made the scapegoat for industry difficulties stemming directly from the fact that rail competitors get unending help from the public treasury p.38

Short and Significant

Eleven non-operating unions . . .

launched a national movement last week for a 25-cent-an-hour wage increase and greater job stability. The unions represent approximately 600,000 non-op employees.

The job-stability provision . . .

sought by the unions would require six months advance notice of layoffs. Notices were scheduled to be served on individual railroads last Friday. Present contracts expire Nov. 1.

Amalgamation of two non-operating unions . . .

has been approved by their respective memberships. The two unions, with a combined membership of more than 200,000, are the ORC&B and the BRT.

Southern Pacific is intervener . . .

in Northerns' merger case. It won't oppose consolidation of Burlington, GN, NP and SP&S, but wants ICC to impose open-route conditions.

Current Statistics

Operating Revenues	
6 mos., 1961	$4,418,590,326
6 mos., 1960	4,889,904,452
Operating expenses	
6 mos., 1961	3,596,377,961
6 mos., 1960	3,840,346,580
Taxes	
6 mos., 1961	481,996,025
6 mos., 1960	542,719,599
Net railway operating income	
6 mos., 1961	145,968,212
6 mos., 1960	330,650,542
Net income estimated	
6 mos., 1951	60,000,000
6 mos., 1960	238,000,000
Carloadings revenue freight	
33 wks., 1961	17,540,731
33 wks., 1960	19,779,118
Freight cars on order	
Aug. 1, 1961	10,644
Aug. 1, 1960	26,658
Freight cars delivered	
7 mos., 1961	20,011
7 mos., 1960	35,295

Advertising Sales Department

Duane C. Salisbury—director of sales

New York 7, N. Y., 30 Church St., WOrth 4-3060
J. S. Vreeland—vice president; F. T. Baker—district manager; W. A. Cubbage

Chicago 3, Ill., 79 W. Monroe St., RAndolph 6-0794
J. R. Thompson—vice president; K. F. Sheeran; H. H. Carey

Cleveland 15, Ohio, 1501 Euclid Ave., MAin 1-4455
H. H. Melville—vice president; C. J. Fisher—district manager

Pittsburgh 19, Pa., Suite 203, Carlton House GRant 1-8186
C. J. Fisher—regional vice president

Atlanta 9, Ga., 22 Eighth St., N. E., TRinity 2-6720—J. S. Crane

Dallas 19, Tex., 3915 Lemmon Ave., LAkeside 1-2322—Joseph Sanders

Los Angeles 17, Cal., 1151 W. 6th St., HUntley 2-4000—Fred Klaner, Jr.

San Francisco 11, Cal., 916 Kearney St. GArfield 1-7004—Lewis A. Vogler

Portland 5, Ore., Terminal Sales Bldg., CApitol 7-4993—Peter W. Klaner

London S. W. 1, England TRafalgar 6318
67/68 Jermyn St., St. James's
Max F. Holsinger; R. N. Lees; A. T. Chapman-Purchas

Harrogate, Yorkshire, England 11 Tewit Well Road
Harrogate 69212—P.W.B. King

Dusseldo f, Germany Huttenstrasse 17
Max F. Holsinger; G. W. Rohde; E. Hillerbrand

Railroad employees' subscription rate: in U. S. possessions, Canada and Mexico, $4 one year, $6 two years, payable in advance and postage paid. To railroad employees elsewhere in the western hemisphere, $10 a year. In other countries, $15 a year. Single copies 60¢ except special issues. Address all subscriptions, changes of address and correspondence concerning them to: Subscription Dept., Railway Age, Emmett St., Bristol, Conn.
Change of address should reach us three weeks in advance of next issue date. Send old address with new, enclosing, if possible, your address label. Post Office will not forward copies unless you provide extra postage.
Circulation Dept.: R. C. Van Ness, Circulation Manager, 30 Church St., New York 7, N. Y.
POSTMASTER—SEND FORM 3579 to EMMETT ST., BRISTOL, CONN.
Printed at the Wilson H. Lee Co., Orange, Conn.

"One of the best sources for tomorrow's foreman or ultimately superintendent is the fully trained apprentice of today. With a competent training program under way, management need not look beyond its own personnel for the supervisor of tomorrow. Men selected for supervisory jobs from the ranks of the trainee have a ready-made background of understanding the complexities of the shop work they will manage. They have acquired a high degree of skill and cannot possibly have failed to have learned something about the associated crafts as they work side by side with them. They doubtlessly will have also acquired a full understanding of company policy which will stand them in good stead in their supervisory capacity.

"This attitude can be visualized a step farther. As the progress of the apprenticeship training program is carefully guided, it stands to reason that other craftsmen will appreciate management's interest, shop morale can well be boosted and the enthusiasm carried home with satisfied workers. There is no doubt that this is a form of public relations which is reflected in the kind things workers will be saying about their railroad to others. This kind of loyalty pays off and astute management will promote this attitude."



Stated by Mr. Harold M. Hoffmeister of the Missouri Pacific RR at the 3rd National Railroad Apprenticeship Conference at Omaha in October 1959.

TO LEARN HOW YOU CAN APPLY APPRENTICE TRAINING PRINCIPLES TO GAIN THESE ADVANTAGES FOR YOUR COMPANY, ATTEND THE:

4th National Railroad Apprenticeship Conference

SEPTEMBER 25-26 • STATLER HILTON HOTEL, ST. LOUIS, MISSOURI

For additional information write to: Mr. E. A. Johnson
Chairman, NRAC, Room 507,
New Federal Bldg., 12th & Market, St. Louis, Mo.

THIS SPACE DONATED BY

The Railway Educational Bureau

1809 CAPITOL AVENUE, OMAHA 2, NEBRASKA

The Bureau has furnished practical instruction materials for more than 8000 Apprentices on the Missouri Pacific over the last forty years. The Bureau also co-operates in the training of apprentices on the UP, B&O, GN, NP, C&EI, T&P, CNJ, CNW, RDG, D&RGW, LI, GM&O, ART, LV, E-L, CRI&P, EJ&E, and others.

Transport Forum Eyes Mergers

► **The Story at a Glance: Like Carrie Nation wielding an axe in some prairie-town saloon, transportation experts from within and without the industry last week smashed bottle after bottle of the merger "cure-all" being peddled by some today as a remedy for transportation ills.**

Representatives of the railroads, the airlines and the motor carriers agreed that mergers have their purposes (medicinal, among them). But, they cautioned and recautioned, merger hastily compounded, carelessly bottled and recklessly gulped can produce nothing but sorrow and woe.

This analysis of mergers in transportation—reported below by Railway Age's Western Editor, Gus Welty—was packaged into a two-day conference by the Transportation Center at Northwestern University.

When you want to find out what mergers are for, how they're executed, why they're necessary and what they accomplish, you ask the man who owns one. Northwestern University's Transportation Center brought three such individuals together last week—Perry M. Shoemaker, Erie-Lackawanna chairman; James F. Pinkney, vice president—law, Ryder System, Inc.; and William A. Patterson, United Air Lines' president. Their comments, based on direct experience, turned out to be a mixture of enthusiasm and restraint—a sort of "It worked—but watch out" approach.

Take, for example, the Erie-Lackawanna case—a merger crippled initially by labor opposition but one that today is trending toward success.

Today, E-L can report progress on three fronts—improvements in passenger service through combination and rerouting of some former Erie mainline trains; an increase in proportion of long-haul traffic; and savings (fully documented) of more than $1 million, as of June 30. Actually, E-L had estimated savings during the first year of full merger at about $1.3 million—and, Mr. Shoemaker added, "we'll be over that."

It didn't come easily, however. Erie-Lackawanna made several moves that paid off handsomely in the pre-merger days. It also committed a few errors—primarily sins of omission—which have tripped up the merged company to an extent.

By Mr. Shoemaker's analysis, E-L benefited from actions such as these—all taken early in the merger process:

- The road assured exempt employees that they'd have no less protection than that accorded to union members.
- E-L made as complete a disclosure as possible of its plans to the communities served. As a result, the merger application met "substantially no community opposition."
- Labor organizations likewise got the word early, through meeting with general chairmen of the two properties.
- Management made the decision to take maximum advantage of attrition and do a minimum of hiring while studies were being completed.
- A retirement age limit was established prior to merger.

At the same time, though, Erie and Lackawanna were making what Mr. Shoemaker now views as mistakes:

- Major officers of the merged company weren't designated early enough and "as a result, we lost people through uncertainty."
- Inadequate prior analysis and choice between differing methods cropped up in some cases. Studies apparently didn't go far enough in determining whether an Erie practice, a Lackawanna practice or a third method (better than either) should be adopted.
- Communication with middle and lower echelon supervision could have been improved, to produce a better understanding of the problems and the E-L approach to solving them.

Other problems—not so much of E-L's own making—also developed. The basic study for the Erie-Lackawanna combination was a 1956 effort which also included the Delaware & Hudson. Minus D&H, the study was updated in 1959. Merger benefits seemed obvious. Erie and Lackawanna could see an improvement in net income of $13.5 million (before federal income taxes) over a five-year period. The number of employees (then about 28,000) would be reduced by 2,000 and another 2,000 would be relocated—but normal attrition was already averaging 2,400 per year.

Then Erie-Lackawanna hit troubles,

Common Ownership Should Wait: Barton

"Still another great issue involves every other merger issue in transportation—the problem of common ownership . . . I believe its solution to a large extent involves solution of the great merger issues within the several transportation modes.

"I find it difficult to see how great transportation industries can have ambitions to expand into other modes during the merger process when they have not yet solved the basic problem of the structure of their own industry. When we have satisfied ourselves that we are on a settled course with respect to a suitable structure for each of the several modes, we shall then have time to think about how to cross the modal boundaries.

"It is important that we pay special attention to the railroad consolidation problem. Not only is it a deep-seated historical one, but upon its solution await other transportation problems both in and out of the merger area. For instance the problem of common ownership has no sensible basis for policy consideration until there is a definitive answer to the railroad problem. . . ."

—Frank L. Barton, Deputy Under Secretary of Commerce for Transportation

along with most of the rest of the industry. Between 1956 and first-half 1961, gross national product climbed 9.6%—and the E-L index of freight revenues (adjusted by commodities and for rate increases) dropped 35.4%. The merger "was accomplished at a time of a basically different pattern in railroad revenues." Moreover, the 28,000 employees which the two companies once had weren't all still there. Employment in first-half '61 stood about 20,000—a drop of approximately 28% from the original figure, and a far bigger drop than had been anticipated as a benefit of the merger.

The deteriorating railroad situation was one phase of E-L's problem. There were others. Unions took the road to court over job protection demands and from October 1960 (when the merger was theoretically effective) until last May (when the Supreme Court finally upheld E-L's position in the labor fight), the railroad "made substantially no progress toward achieving merger." Even after the employee case was settled, E-L was faced with the problem of making implementing agreements with each labor union. There were also problems involved in making facility changes; in securing regulatory agency approvals of desired changes; in transferring people, where moves were required.

Still, with all the problems, Mr. Shoemaker regards E-L as far better off for its merger. Savings are being realized—some of them in areas not really predictable on the basis of the 1956 and 1959 studies. And by the end of 1962, E-L expects to achieve a relative stability of labor.

All this has led to some firm conclusions regarding mergers, so far as Erie-Lackawanna's chairman is concerned:

- "Transportation doesn't stand still—and merger decisions must be tempered by the very best judgment you can devise as to forecasting conditions. Change has to be recognized."
- "The minute one puts his mind on savings as the only benefit (from merger), he makes a colossal mistake. It's improvement in service to the public that pays off over the long range. It's primarily service that gives us a yardstick to go after private carriage."
- "Merger is no panacea, or bailout, for railroad problems, particularly in the East. It doesn't change government's investment in competitive modes . . . or the tax inequities visited upon the railroads or the restrictive managerial interference of government. . . Merger is an opportunity for us to produce the kind of competitive service the industry has to have to stay in business.

(*Continued on page 33*)

WATCHING WASHINGTON WITH WALTER TAFT

• **PIGEONHOLING** of S.1197, the bill to emasculate the 1958 Transportation Act's rate-freedom provisions, is now assured. The Senate Commerce Committee has voted, as expected (RA, Aug. 21, p. 10), to defer further consideration of the proposal until next year.

THE COMMITTEE VOTE was 12 to 3. But the bill remains alive on the committee's calendar—so the railroads, their employees, shippers and other defenders of rate freedom will have to fight it again next year.

THE SAME STRONG SUPPORT the bill got this year may be expected to come again from truckers, water carriers and President James R. Hoffa of the International Brotherhood of Teamsters. The Hoffa campaign has caused the measure to become known as the "Hoffa Bill."

THE RAILROADS' CONCERN about the bill was dramatized last spring when a special Washington meeting of AAR member roads was held to launch the industry's opposition drive. This was the first special member-road meeting since 1958, when the executives also came to Washington to advise Congress of the "deteriorating railroad situation" and thus promote passage of the 1958 act.

THE AAR'S AWARENESS of the need for continuing the fight was pointed up in the presentation it made last week to Secretary of Commerce Hodges. The presentation was in response to the secretary's request for proposals from which he can develop recommendations for President Kennedy's consideration as he shapes the transport message he plans to send Congress next year.

A PLEA for rejection of all proposals to restrict competitive rate-making occupied two pages of AAR President Daniel P. Loomis's 8½-page letter to Secretary Hodges. Mr. Loomis called S.1197 "a cleverly-designed attempt to bring about a return of the unsound concept of artificial competitive balance as among the several forms of transportation."

• **MEANWHILE,** the ICC has kept another umbrella open for water carriers. In I&S No. 7436, it has condemned proposed railroad piggyback rates on garden hose from Paterson, N. J., to Dallas, Tex., and Fort Worth. The decision is a victory for Sea-Land Service, Inc., a truck-water-truck operation.

THE CONDEMNED RAIL RATE of $2.18 per 100 lb., minimum 30,000 lb., would have been on a parity basis with Sea-Land's rate which now attracts the traffic. Moreover, it would have been well above rail out-of-pocket costs and thus "compensatory," the commission said.

NEVERTHELESS, the commission found Sea-Land entitled to protection because it is the low-cost service on the fully-distributed-cost basis. The railroad position is that fully-distributed costs have no proper role in competitive rate cases. The commission considered the present case pretty much like the broader proceeding wherein it determined early this year (RA, Jan. 16, p. 9) that survival of water-carrier service in the Atlantic-Gulf coastwise trade requires that railroad piggyback rates be 6% higher than competing truck-water rates.

MP's TOFC Moves Mail Faster

A new, daily 800-mile coordinated rail-highway mail service, linking St. Louis, Mo., and Houston, Tex., permits day-earlier deliveries to Houston area residents of mail originating in or passing through St. Louis and Texarkana (RA, July 21, p. 7).

Missouri Pacific, in cooperation with the U. S. Post Office Department, began the new piggyback service August 1. An MP spokesman said that this "largest and longest piggyback mail handling on record" eliminates intermediate handling required with the former all-rail movement and makes possible a faster, direct highway delivery of some 2,000 bags of mail to the Houston Post Office each morning.

Here's how the new service works:

At St. Louis Union Station, mail destined for southwestern cities is loaded into two highway trailers already placed on a TTX flat car equipped for passenger service. The flat is then switched to the head end of MP's mail and express special, Number 37, leaving St. Louis at 10:20 p.m.

One trailer, carrying Texarkana area mail is taken off the train upon arrival at Texarkana at 11:25 the next morning and replaced with a trailer to be loaded with Houston mail assembled at Texarkana. A second flat car with two more Houston-bound trailers is also added to Number 37's consist here.

At 8:45 p.m., the MP mail and express special is due at Palestine, Texas, 664 miles from St. Louis. All four highway trailers are taken off the train to complete the 154-mile Palestine-Houston segment of the trip by highway.

Under the former all-rail movement, mail from St. Louis and Texarkana had a scheduled 3:15 a.m. arrival time at Houston Union Station. Unloading the mail cars and trucking mail from station to post office often delayed sorting and handling so that local deliveries could not be made until the following day. The coordinated rail-highway movement permits scheduled direct delivery of trailers to the Houston Post Office at 2:00 a.m.—early enough to sort and handle mail for same-day local deliveries.

Returning, mail destined for St. Louis and eastern cities will leave Houston at 11:00 p.m., running over the highway to Palestine, Texas, where the trailers will again be placed on flat cars for the piggyback trip to Texarkana, arriving at 11:30 a.m., and St. Louis, arriving at 11:00 p.m. Northbound mail developing at Houston is now delivered direct to the Texarkana distributing center and to St. Louis without intermediate handling.

Missouri Pacific General Passenger Traffic Manager H. E. Mack, Jr., says of the new service, "Passenger train piggybacking of mail appears to satisfy the Post Office Department and answers all their objections to movement of mail in freight trains. Additionally, loading of the trailers while on the flatcars in passenger stations eliminates much of the ramping and some of the switching that would otherwise be necessary."



WITNESSING THE START of MoPac's 800-mile coordinated truck-rail mail service between St. Louis and Houston are H. E. Mack, Jr. (left) MP general passenger traffic manager, and St. Louis, Mo., Postmaster C. I. Bakewell (second from left). Also on hand to watch first loading of trailer on flat car of Houston-bound mail are postal officials H. S. Carden and J. Baumgardner. Piggybacked trailers will head consist of MP mail and express special to Palestine, Tex., and then complete trip to Houston by highway.

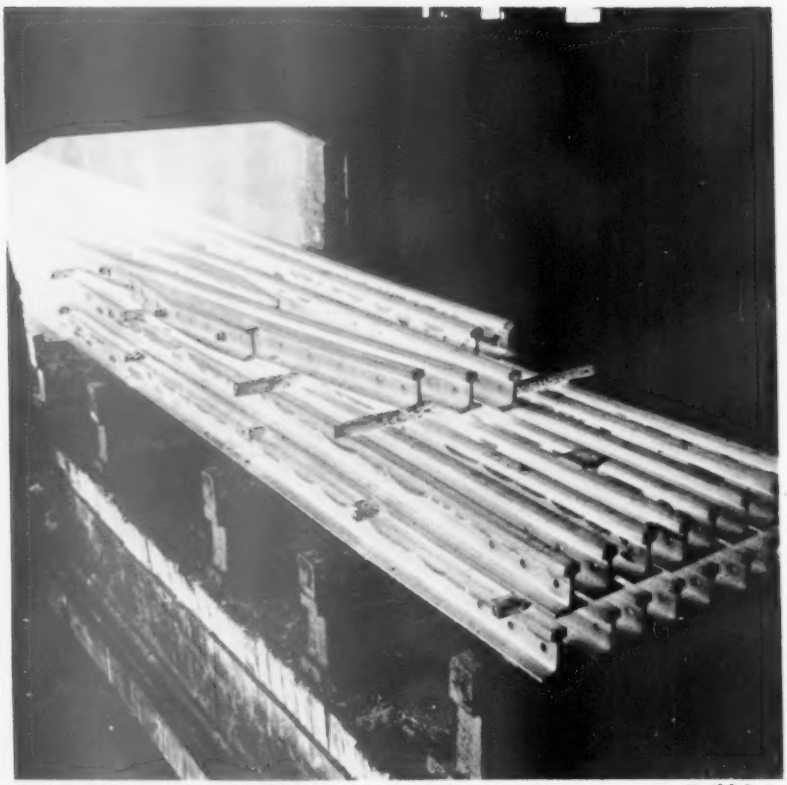


MAIL HANDLERS Edward Clark (in trailer) and G. L. Lawrence complete loading mail in trailer on flat car at Texarkana, Texas, on first day of new coordinated rail-highway mail service. Onlookers are, left to right, G. J. Wilkes, regional sales manager, MP; G. T. Selover, district sales manager, MP; A. L. Jennings, Texarkana postmaster; J. G. Tucker, superintendent, T&P; and S. R. Wall, trainmaster, MP-T&P.



THIS B&O COAL TRAIN is moving around Salt Lick curve near Terra Alta, W. Va. The curve is laid with heat-treated 140-lb RE rail which was placed in track in March 1960. The sharpest curvature is 9 deg 45 min.

How B&O Makes Rail Last Longer



CHARGE OF RAIL SECTIONS undergoing heat-treating process at Bethlehem Steel Company mill. The charge shown has been heated in a furnace and is being withdrawn in preparation for quenching.

► The Story at a Glance: Where the Baltimore & Ohio's main line crosses the summit of the Appalachians the grades, curvature and traffic combine to produce excessive rail wear on curves. As a result the average rail life in one section is only twelve months. By using heat-treated rail the road expects to triple or quadruple the service life. And by installing rail lubricators it is expected the life of the heat-treated rail will be extended to eight times that of untreated rail.

Practically every railroad has one or more locations where conditions combine to produce rapid wear of rail.

The Baltimore & Ohio is no exception. On this road the rapid-wear spot is the 47-mile stretch of track between Piedmont, W. Va., and Rowlesburg, where the road's Baltimore-St. Louis main line crosses the summit of the Appalachian range. More specifically, it is the eastbound freight track of this two- and three-track railroad. There is one segment of the stretch where average service life of rail on curves is no more than one year. The damage is done by a combination of high wheel loads, heavy traffic, steep grades and sharp curvature.

The railroad is convinced it has found the answer to the rail-wear problem. About a year and a half ago it began

(*Continued on page 14*)



CARL A. BICK
PRESIDENT

MONON
THE HOOSIER LINE

"Railway Age is a great asset, widely read and studied by our key personnel. It keeps subscribers informed statistically, permitting comparisons of operations. It describes new methods and new tools, and portrays developments in the art. The advertising I have always found to be equally informative."

HOW B&O MAKES RAIL LAST LONGER (*Continued from page 12*)

replacing worn-out rail on these curves with rails that had been fully heat-treated. Based on observation of the heat-treated rail in service, B&O officers estimate it will give three to four times the service life, in this territory, of untreated steel. And by installing curve lubricators they figure the service life of the heat-treated rail will be increased to about eight times that of conventional rail.

The curves, grades and traffic conditions in the territory between Piedmont and Rowlesburg are tailor-made for rapid rail wear. On the east slope is the so-called "Seventeen-Mile grade" where the line rises continuously toward the summit on grades ranging up to 2.57 per cent. Curves on this grade occur in rapid succession and range in sharpness up to 10 deg 15 min.

On the west slope the line negotiates a grade 12.3 miles long, known as "Cranberry grade," which reaches a maximum of 2.89%. The sharpest curvature here is 9 deg 45 min. At the summit of the mountain, the two grades are connected by a relatively flat section of line, 18.5 miles long, known as "The Glades."

Traffic handled over the eastbound tonnage track of this line amounts to 40.7 million gross tons annually. The great preponderance of this is coal which moves eastbound in solid trains of 100 cars. In moving these trains up the Cranberry grade the five diesel units at the head end of the train are normally assisted by a helper engine consisting of six diesel units.

It is the coal trains operating around the sharp curves that are the primary cause of the rapid rail wear, which is found entirely in the eastbound tonnage track. On the Cranberry, or uphill, grade of this track the effect of the slow-moving heavy-tonnage trains is to cause a condition of severe plastic deformation, or crushing, to develop in the low rails on curves. They also cause the head of the high rail to be worn down rapidly.

However, the most severe rail-wear conditions are encountered on Seventeen-Mile grade on the other side of the summit. Here the punishment inflicted by the faster-moving coal trains on the down-grade takes the form of excessive flange wear of the high rails on curves. It is because of this wear that the average service life of rails on curves in this section is about twelve months.

To get the greatest possible service life out of the rail the practice has been to transpose the rails on curves when the wear of the high rail has reached a specified amount. It is thus apparent that the rapid wear was a source of expense to the railroad not only because of the loss of material but also because of the labor expense involved in replacing and transposing the rail. "This kind of work was using up 25% of the time of our available track force in the area," says J. A. Caywood, the B&O's assistant chief engineer of maintenance.

For a number of years the Bethlehem Steel Company had been offering fully heat-treated rail for use where rail is subject to unusually severe wear. This rail is available at an extra cost of $65 per ton above the price of untreated rail. B&O engineers decided to try out the heat-treated rail on curves in the territory of heaviest rail wear. The first installation was made about eighteen months ago. To date, 1,200 tons of the rail, all of the 140-lb RE section, has been inserted in the eastbound tonnage track on both the Cranberry (ascending) and the Seventeen-Mile (descending) grades.

Primary purpose of the installations on the Cranberry grade is to determine performance of heat-treated rail in resisting crushing of the low rails and head wear of the high rails. On the descending grade, the main purpose is to find the extent to which heat-treated rail will resist flange wear on the high sides of curves. As a basis for judging the effectiveness of the treated rail it is given a formal inspection twice annually, in January and again in July, during which contour tracings are made.

"On the downhill grade the inspections have revealed a very slight amount of shearing on the high rail and no wear on the low rail," says Mr. Caywood. "On the uphill grade there's no evidence of any crushing or wear at all to date," he adds. Mr. Caywood also points out that no complaints of excessive wheel wear have been received from the mechanical department since the heat-treated rail was installed.

In view of the additional service life being obtained from the heat-treated rail, B&O engineers are convinced that the added cost is justified by the savings in labor and material. Plans are to install an additional 500 tons of the rail this year. "What we would like to do," explains Mr. Caywood, "is to lay 1,000 tons of it each year until we have heat-treated rail in track at all locations where we consider its use economically justified."

Installation of the heat-treated rail is being carried out in conjunction with a program to install rail and flange lubricators on the Seventeen-Mile grade. It is in this stretch that the combined effects of heat-treated rail and lubricators are expected to result in a rail service life eight times that obtained from untreated rail without lubricators.

Heat-Treated Rail Used Widely

In addition to its use on the B&O, fully heat-treated rail is under test on various roads and is in regular use on others.

For 11 years the Rail committee of the American Railway Engineering Association has been making regular reports on test installations of fully heat-treated rail on a number of roads, including the PRR, C&O, N&W, NYC and GN. The first of these was an installation of 155-lb PS rail on the PRR, which was installed in a 6-deg curve at Forge, Pa., in January 1949.

Other installations of fully heat-treated rails have been made by several railroads, including the Erie-Lackawanna, Jersey Central, Clinchfield, P&WV, Reading and B&O. Subway systems at Chicago, Toronto, Boston and New York are also using it.

According to G. G. Knupp, assistant metallurgical engineer of Bethlehem Steel Company, the service life of fully heat-treated rails in these installations ranges from at least 2 times up to 7 times and more that of non-heat-treated rails previously installed in the same locations. Since some of the original test installations are still in service, the "life ratio in some cases is still increasing," he adds.

Aside from the B&O, the use of heat-treated rail has passed beyond the test stage on at least two roads, says Mr. Knupp. On the N&W, heat-treated rail is standard for use in main-track curves of 6 deg and over, and on the GN it is standard for use on curves of 4 deg and over.

Kardex 'Instructs' C&O's EDP

Chesapeake & Ohio has made computer instructions readily available by using a Kardex filing system. Over 1,000 electronic data processing system instructions are typed on cards which are filed in a folder that hangs on a wall in the road's Cleveland computer center. A new method of filing instructions, described below, makes them easy to find and easy to maintain.

By LEROY HURT
Superintendent, Computer Center
Chesapeake & Ohio

Maintenance of instruction manuals covering electronic computer system and allied routines, in an activity as extensive as Chesapeake & Ohio's, poses a problem of considerable scope.

Our large-scale electronic data processing system is used essentially to perform mass clerical tasks for many departments. Processing volume, therefore, is high and the job of properly distributing the finished listings and reports is quite complicated.

We encountered no special difficulty in maintaining instructions covering operation of the computer itself. The same cannot be said of various auxiliary stations: high-speed printers, card-to-tape and tape-to-card converters, the punched-card department, and the outgoing and incoming mail rooms.

In these particular areas, individual instructions have now increased to more than one thousand, and the number is constantly growing. Changes also occur regularly, so that the physical task of keeping the instructions in conventional bound volume, or even loose-leaf, form would be cumbersome and inefficient. Moreover, finding the proper instructions for a specific job would take too much time. Because of the frequent changes, operators are obliged to refer to the written instructions each time a particular job is to be done.

Over the months, as utilization of our computer increased, the matter of setting up a manual of instruction in more usable form became pressing. The solution tied the manual Remington Rand Kardex system into its Univac computer, which comprises the core of our data processing activities.

Our installation consists of movable, wall-mounted Kardex panels that house cards on which instructions are now typed. Each panel holds 69 cards, kept in individual pockets with the bottom edge visible, on which indexing or other information is inserted.

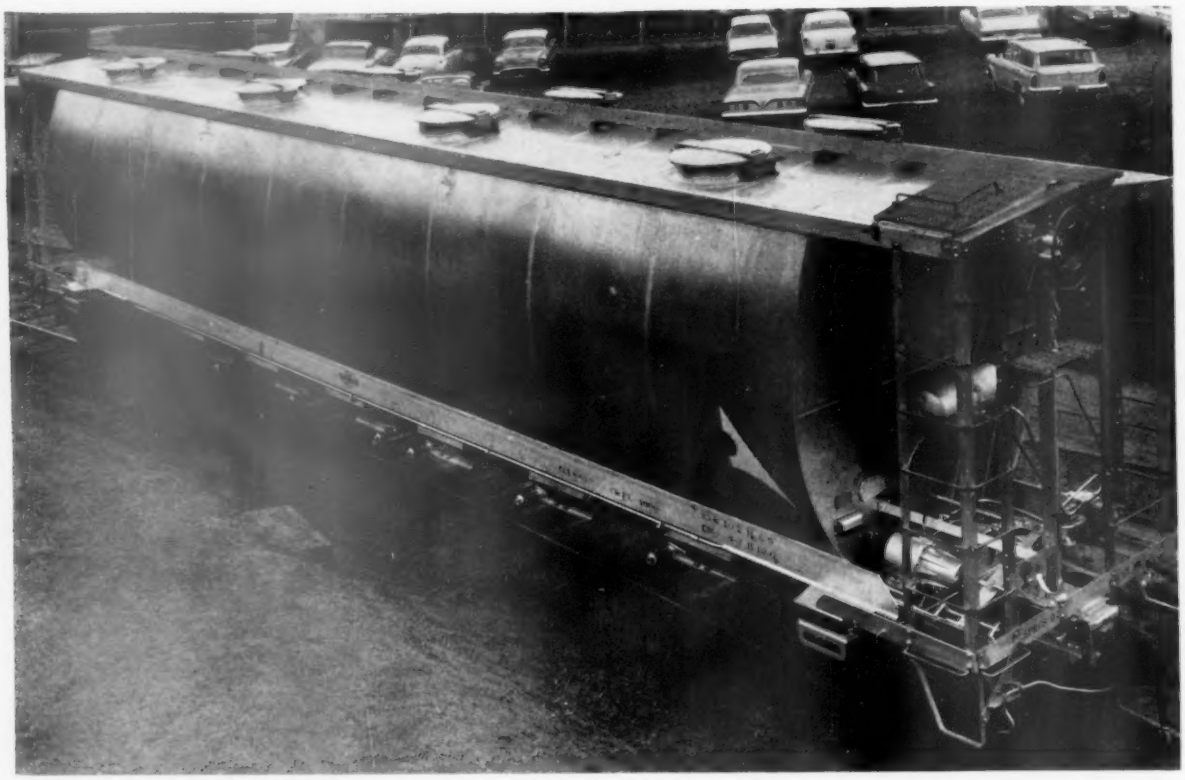
The panels are hung adjacent to the equipment at each work station, and contain numerically-sequenced cards codifying each job done at that point. Information varies with the nature of the computer work stations involved. Standard data on all, however, includes the data number of the magnetic tape involved, as well as all information concerning the manner in which a particular job is to be done.

There is a wide variety of advantages in this system. In our opinion the two most important are ease of reference (any needed instruction can be located in a matter of seconds), and ease of maintenance (changing an instruction requires simple removal of an existing card from its pocket, and the substitution of a freshly-corrected one).

The new system is a time saver which, in itself, fits right into the basic concepts and objectives of any electronic data processing system.



MOVABLE WALL-MOUNTED KARDEX pocket panels are used to house cards covering instructions for handling hundreds of the Univac computer routines.



TEARDROP-SHAPED body provides structural strength which makes possible elimination of center sill.

Greenville Builds Aluminum Car

Scheduled for delivery to the Southern Pacific later this month and for display at the Allied Railway Supply exhibition in Chicago next week, the first U.S.-built, Alcan-designed aluminum tubular covered hopper car has just been completed by the Greenville Steel Car Co. "Although interested in aluminum's possibilities for some time, this is the first aluminum car we have built," G. C. Brecht, Greenville vice president commented last week. "We finally chose the Alcan [Aluminum Company of Canada] tank-hopper after careful studies of many lightweight designs. In addition to maintenance savings this aluminum car gives a 28,000 lb increase in payload as compared to the conventional 90-ton covered hopper car." Load limit for the new model is 208,000 lb; light weight is 43,000 lb.

Just a year ago the first four prototype cars of this same Alcan design were completed by a Canadian builder for the Canadian National and the Roberval & Saguenay (RA, Sept. 12, 1960, p. 60). One of the two CNR cars underwent exhaustive tests at Aluminium Laboratories in Kingston, Ont., and on the Canadian National where it handled a wide variety of ladings in actual service. The fatigue test, of three months duration, subjected the car to the equivalent of 30 years of actual service, and was performed in the laboratory using special equipment.

The testing program was completed in June. "This car has passed all tests very satisfactorily and the design has now been approved and adopted for service," a CNR officer reported recently. The Canadian National has now placed an order for ten additional cars of this type (RA, July 31, p. 47).

The Greenville car is a 4,000 cu ft model, first of this size to be built. The four Canadian cars all have capacities of 3,000 cu ft and weigh 34,000 lb. The basic design consists of 5-ft long modules which make possible the building of cars with different capacities without major design or tooling changes.

The teardrop-shaped body utilizes less material to enclose the required volume than is the case with more conventional designs. It also has enough strength to make possible elimination of the center sill between the trucks and does away with side posts because of the stability which the essentially tubular structure imparts to the side sheets. The center discharge gates, fewer in number than necessary on a car with a center sill, are expected to make possible faster, cleaner unloading.

The carbody contains about 14,000 lb of aluminum—11,000 lb of sheet and plates, and 3,000 lb of extrusions.

The use of aluminum is expected to make linings unnecessary and to simplify cleaning of the car's interior. The aluminum body should reduce maintenance costs and extend car life, according to Greenville engineers. When the four cars went into service in Canada, they were intended to handle such varied commodities as lime, cement, alumina, gypsum, adipic acid and polyethylene.

Upon completion of the Greenville car last week, Eric F. West, president of Aluminium Limited Sales Inc., said, "This represents an important breakthrough in our efforts to expand aluminum's acceptance in the railway field."

Piggyback for Private Autos?

The question was raised in this department recently as to the advantages (or disadvantages) of sending passenger automobiles by piggyback as a concurrent part of the service when the owners travel by rail. This week's correspondent provides data on the service available and the rates charged by a European railroad that piggybacks passengers' autos. Editor.

To the Question and Answer Editor:

Piggyback for Private Autos? To the Current Railroad Question (RA, Aug. 28, p. 46) a European example could be added. The enclosure, from Danish State Railways, shows the method.

Autos move in closed cars in the same train with the passenger. Services are set up to meet travel needs and not simply to make things easy for the operating department.

Take the first example, Frederikshavn to Hamburg, which is a straight run of about 400 miles down the Jutland peninsula operated jointly by Danish State Railways (DSB) and German Federal Railway (DB). About 71% of the haul is over DSB rails. Fares run about like this, roughly converted to US dollars:

		Party of 3
Rail fare (2d class)	$10.10	$30.30
Auto charges		
US-type auto	25.00	25.00
("Compact" car)	(21.85)	(21.85)
Berth, if desired (in 3-berth compartment)	4.10	12.30

The equivalent of a roomette can be had for about $8.30; a 2-berth compartment costs about $12.70 for two passengers. These accommodations usually require 1st-class rail tickets, which are set at 150% of the 2d-class fares. About 90% of DSB passenger revenue comes from 2d-class fares. Round-trip tickets are priced at about 80% of the combined cost of two one-way tickets.

All services operate in both directions.

Figures given above are approximate only. While some passenger tariff experts might come up with different numbers, the relationship would remain about the same.

At the moment, I lack data for the operating results of these services, but one might guess from their gradual extension throughout Europe that they meet a definite need.—*Southworth Lancaster, Cambridge, Mass.*



Tag bilen med i toget

Frederikshavn-Hamburg og omvendt

Kattegat-Express

Frederikshavn havn	af daglig	20.10	Hamburg-Altona	af daglig	21.06
Hamburg-Altona	an daglig	6.30	Frederikshavn havn	an daglig	7.50

Samtidig med bestillingen af plads til biltransportvognen mellem Frederikshavn og Hamburg vil det være muligt at sikre sig plads på tilslutningsskibene mellem Frederikshavn og Goteborg.

Hamburg-Basel-Chiasso og omvendt

Hamburg-Altona	af daglig	20.24	Chiasso	af Sø, Ma, To og Fr	14.47
Basel SBB	an daglig	8.14	Basel SBB	af daglig	21.56
Chiasso	an On, To, Lø og Sø	13.54	Hamburg-Altona	an daglig	9.27

Hamburg-München og omvendt

Fra Hamburg-Altona 10/6—28/9, fra München 11/6—29/9

Hamburg-Altona	af Ma, To og Lø	22.06	München Ost	af On, Fr og Sø	19.42
München Ost	an Ti, Fr og Sø	10.30	Hamburg-Altona	an To, Lø og Ma	8.28

Grossenbrode Kai-München og omvendt

Fra Grossenbrode Kai 10/6—28/9, fra München 11/6—29/9

Gedser	af Ma, To og Lø	17.55	München Ost	af On, Fr og Sø	19.42
Grossenbrode Kai	af Ma, To og Lø	21.25	Grossenbrode Kai	an To, Lø og Ma	9.47
München Ost	an Ti, Fr og Sø	10.30	Gedser	an To, Lø og Ma	13.18

Ved bestilling af plads i biltransportvognene mellem Grossenbrode og München vil der normalt samtidig blive tilbudt de rejsende gratis reservering af færgeplads på tilslutningsfærgerne mellem Gedser og Grossenbrode.

Bestilling på plads til bilen i biltransportvognene og til de rejsende i sove-, ligge- eller siddevognene i samme tog kan afgives ubegrænset tid i forvejen til de autoriserede rejsebureauer samt til Frederikshavn station.

For befordring af bilen betales:

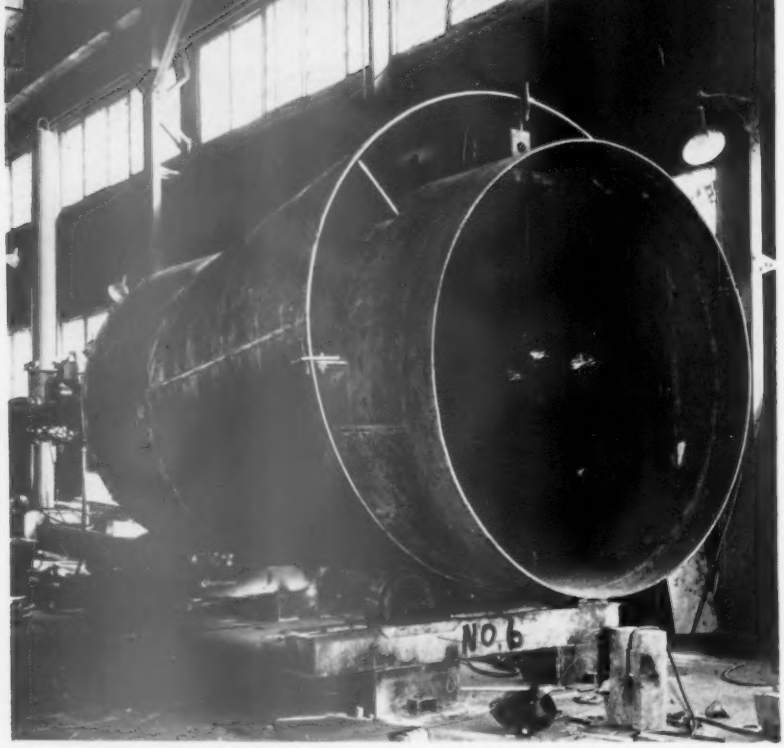
	Længde: indtil 4,42 m enkelttur	indtil 4,42 m dobbelttur	over 4,42 m enkelttur	over 4,42 m dobbelttur
Frederikshavn—Hamburg	153 kr.	275 kr.	175 kr.	314 kr.
Hamburg—Basel	222 -	392 -	259 -	458 -
Hamburg—Chiasso	322 -	581 -	359 -	648 -
Hamburg—München	202 -	363 -	235 -	422 -
Grossenbrode Kai—München	226 -	406 -	263 -	473 -

Til de rejsende må der løses billetter, herunder sove-, ligge- eller siddepladsbillet til normal betaling.

TAKE YOUR CAR WITH YOU ON THE TRAIN, advises this page from a Danish State Railways timetable. Train schedules between various points are listed first. One-way and round trip rates for autos up to and over 4.42 meters in length appear below.

A forum for railroaders who want to explore questions of importance to their industry, this department welcomes both questions and answers from readers at all levels of responsibility in the industry and associated fields. We'll pay $10 to any reader submitting a question that forms the basis for a column discussion.

Address correspondence to Question and Answer Editor, Railway Age, 30 Church St., New York 7, N. Y.



TRANSITION RING is fitted with a temporary ring, same diameter as the end ring, for use in rolling while circumferential seams are welded.

New GATC Tank Car Scores with Shippers

► **The Story at a Glance: General American has developed a new and, from all indications, versatile tool to help railroads compete with barge and pipeline for liquefied-petroleum-gas traffic.**

GATC's new 30,300-gallon-capacity two-diameter tank car is a sharp break from tradition in design. General American engineers were looking for maximum capacity in minimum length —and they got it by eliminating the conventional center sill and stepping up the diameter of the tank itself between the bolsters.

Design of the two-diameter tank itself was perhaps the major problem in development of the car—but application of braking systems and safety appliances then posed new kinks to be untangled. Here's how GATC engineers did it—and what they expect the new cars to do.

By year's end General American's new 30,300-gallon tank car—already nicknamed the "pregnant whale" — should be a familiar sight in liquefied-petroleum-gas territory.

GATC started with orders for 60 cars—50 for Phillips Petroleum and 10 for lease by General American. Then other orders began piling up, from such firms as Wanda Petroleum, Cities Service, Union Petroleum and Signal Oil. Within about six weeks after introduction of the high-capacity car, the order book held commitments for 164 units.

Design of the new car was a task-force project, dating back to late last year, when a GATC engineer first proposed picking up added capacity by increasing the tank diameter at the car center and making the tank itself serve as a sill between bolsters. Maximum height of the car (to the top of the hand rail) is 15 ft 15/16 in.

Final design called for two 4-ft-4-in.-long end rings, four 7 1/2-ft center rings and two 8-ft 11 5/16-in. "transition rings" which step up tank diameter from 99 in. at the ends to 118 in. in the center rings. Transition rings are of a modified conical design, which increases the width and depth of the center rings without adding height to the car.

Center and end rings are one-piece; transition rings are fabricated of two plates. GATC used 15/16-in. high-strength steel plate (25% higher tensile strength than the steel on a conventional car) for the center and transition rings; and 13/16-in. plate for the end rings and ellipsoidal heads.

Standard welding techniques were used (except for the special jigging required by the unique transition design).

Once GATC had settled on the two-diameter design for the tank itself, designers set out to whip braking and safety appliance problems which the design departure created. Braking force for the cars is supplied by truck-mounted Wabcopac units with Cobra shoes. Brake reservoir and AB valve are mounted on the draft sill section under the transition ring at one end of the car.

Increasing the diameter of the tank center ruled out installation of side running boards. GATC got around that problem by putting a full-length center walkway (with handrails) on top of the tank, and access ladders at each end of the car. (Elimination of side running boards in another manufacturer's design was protested to the Interstate Commerce Commission and the Commission upheld the protest. General American, however, says the ICC has indicated it will take no exception to the tank-top center walkway design.)

While design was in the formative stages, GATC went through long series of preliminary stress calculations. Then, with a prototype built, the real testing began.

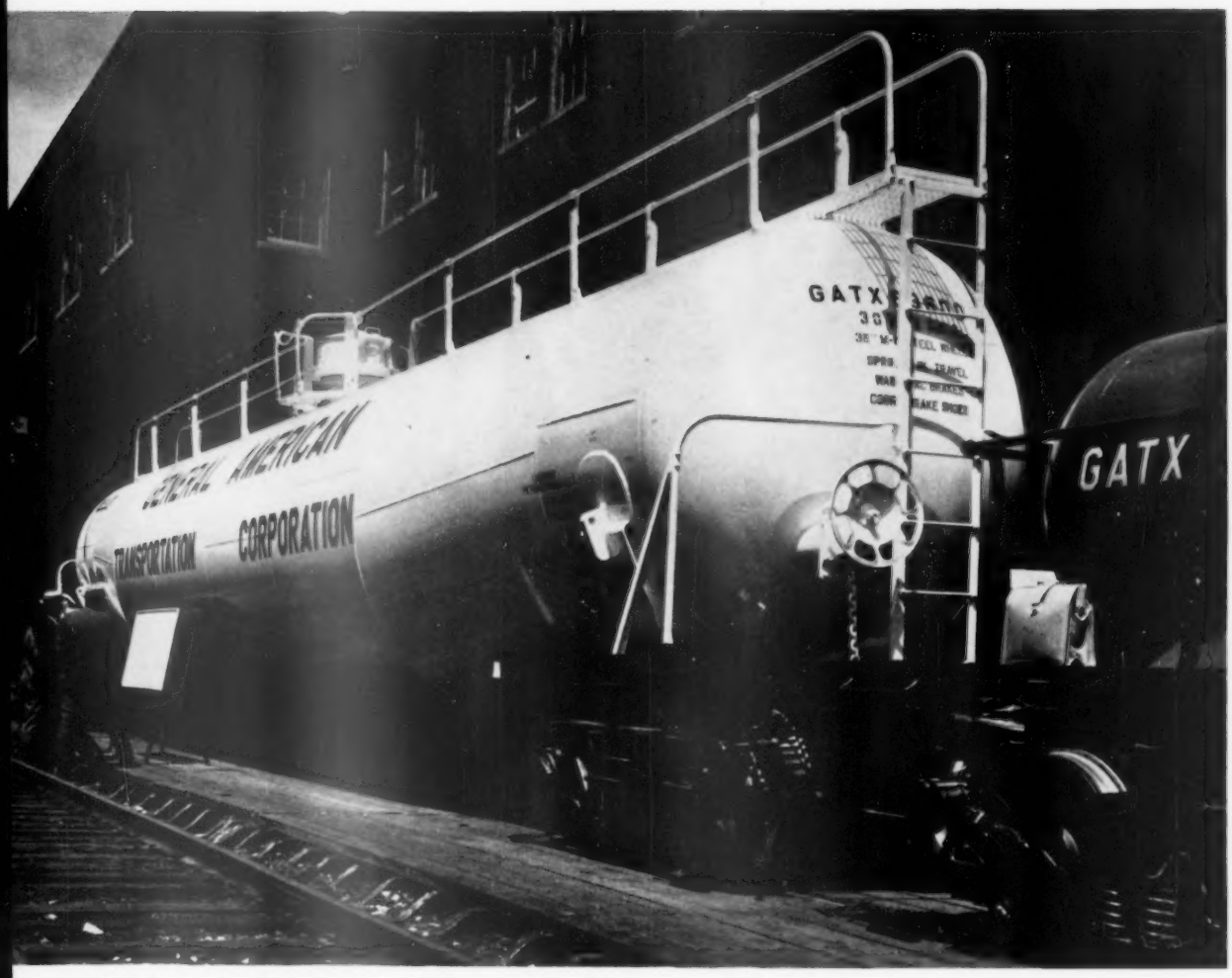
The tank itself was tested hydrostatically at 400 lb psi (the safety relief valve is set at 300 lb psi).

In exhaustive impact tests at Sharon and at GATC's East Chicago, Ind., plant, engineers got the proof of the basic soundness of their design.

Tests at both points developed coupler forces in the one-million-pound range—but the 30,300-gallon car "performed beautifully." Force levels in both the tank and the draft arm were well below the yield strength of the materials used.

At Sharon, General American loaded the big car to its 251,000-lb limit and used a loaded 20,000-gallon car (238,400 lb total weight on rail) as the striking unit. Fifteen impacts in the 10-mph range were absorbed without damage.

At East Chicago, engineers impacted the loaded 30,300-gallon tank car with a loaded gondola (250,980 lb total weight on rail) some 30 times in the 10 mph range. A dynamometer coupler installed on the 30,300-gal car permitted GATC to get accurate values of the coupler forces developed. The maxi-



FIRST of the two-diameter, 30,300-gallon cars was delivered to Phillips Petroleum in June.

mum was 1.2 million pounds. Again the big tanker came through without damage (though the impacts in both series resulted in damage to the striking cars).

Design provides for dissipation of impact forces in several ways: in the high-capacity rubber-friction draft gear itself; by transmission of force from the struck end through the draft arm and on into the tank; by movement of the car on impact; and by transmission of force into backup cars. (In most tests, the 30,300-gallon car was positioned 10 to 15 ft from backup cars, although several impacts at East Chicago were run with the car coupled to backups.)

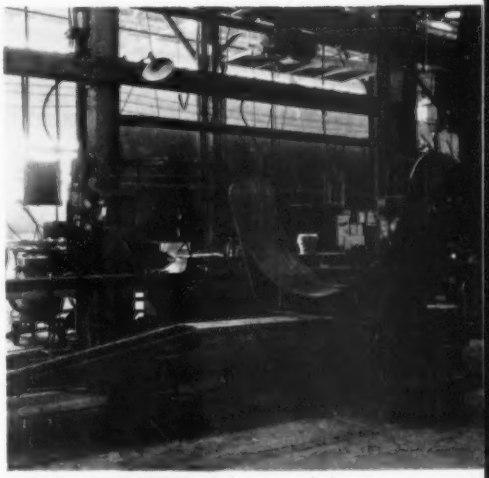
Tests turned up no need for design modifications, and production got under way promptly at Sharon. Phillips took delivery of the first unit in early June (RA, June 12, p. 41).

Phillips' plans call for the 50 cars to go into service hauling LPG (and anhydrous ammonia) from plants to large storage points.

The 66-ft, 30,300-gallon car is the biggest yet—but even higher capacity tanks may be on the way. Phillips wants a 45,000-gallon car—and GATC, with its design breakthrough on the two-diameter car, has a flexible unit which can be enlarged through addition of center rings. So the design problems which GATC solved on the 30,300-gallon car may be replaced by new ones if a bigger unit is built.

Two major problems:

- Will lengthening the car by inserting additional center rings tend to defeat one of the purposes of the unconventional design, i.e., keeping the overall length down to a minimum to improve car maneuverability?
- Will the increased size and weight mean designers will have to go to a six-wheel truck or to a refined heavy-duty four-wheel design (the 30,300-gallon car is equipped with 100-ton roller-bearing trucks)? And, if a six-wheel truck is the answer, can the twin problems of added weight and increased cost be solved?



UPPER BOLSTER and lower bolster-draft sill are built as sub-assemblies. Upper bolster is welded to tank and the assembly is stress relieved as a unit. Tank is then placed in a jig for welding draft sill to pad and lower bolster to upper bolster.

Burlington Ticket Sales Still



Busiest and most successful of CB&Q's ticket offices, Burlington Travel Headquarters in Chicago accounted for over 6% of 1960's record $21.4 million gross passenger revenues.



Climbing

► **The Story at a Glance: A hard-working sales force is the backbone of any successful sales operation and the city ticket office is the heart of any passenger sales effort.**

Burlington's Travel Headquarters—the Chicago city ticket office—has been increasing its annual ticket sales since it opened in March of 1940. Sales reached the $2.2 million mark in 1960 and are continuing to climb.

There are several reasons for this enviable record, but General Passenger Traffic Manager W. F. Burke credits the success of the Chicago ticket office primarily to "the enthusiasm of our Chicago salesmen—both on the street and behind the ticket counter."



SIGNS, prominently displayed at the CB&Q reservation bureau in Union Station, remind clerks to use suggestive selling and to "Thank you for calling Burlington."

Located on the street floor of the Bankers Building in the Chicago Loop, Burlington's busy Travel Headquarters has posted an enviable sales record since it opened its doors to the public over twenty years ago.

Ticket sales have climbed steadily, and substantial annual increases have been recorded during each of the past seven years. In 1954 the Chicago city ticket office sales were $1.4 million. Sales continued upward until the $2 million mark was reached in 1959. They jumped again in 1960 to $2.2 million.

Burlington gross passenger revenues set a post-war record last year. The Chicago city ticket office, most important of all the 621 station and downtown ticket offices operated wholly or jointly by Burlington, accounted for 6.24% of the record $21.4 million received from CB&Q patrons. Ticket sales continue to climb. Last June's were the highest for any single month on record—a whopping 20.1% over the same period last year.

Without taking any credit from his salesmen, CB&Q General Passenger Traffic Manager W. F. Burke admits there are several reasons for the success of the Chicago city ticket office. "Chicago is a tremendous travel market. We get more results per dollar of sales effort here than anywhere on our 14-state system. Too, some of the railroad ticket offices in city hotels have closed in recent years, and their closing tends to bring us more business. Recent modest increases in rail ticket prices also helped out total sales volume somewhat.

"Primarily, though, this big jump in sales results from the enthusiasm of our Chicago salesmen—both on-the-street salesmen and those behind the ticket counters. They know they are being supported by our management with fast, stainless steel Zephyr trains, and with attractive vacation tour and package rates. Importantly, they know management is thoroughly sold on the passenger business. High morale is a most important ingredient in the make-up of a successful salesman, and our boys have it."

General Agent Fred D. Clouse, in charge of the Chicago office since January 1959, puts it this way, "These men are specialists in their trade and they know that it is important to make the customer feel important — feel wanted. Whether it is a package vacation or an overnight trip to Denver each one gets expert, courteous treatment."

The Power of Suggestion

"Suggestive selling," is the way H. C. Wallace, Burlington's energetic passenger traffic manager explains it. "The customer who calls on the 'phone or comes in off the street is often confused about rail travel. Rates, tariffs and the different kinds of accommodations are things he doesn't deal with in the ordinary course of things. Our salesmen put him at ease at once and he soon realizes he is talking with an expert on rail travel."

Mr. Wallace has indoctrinated all his salesmen with the suggestive selling technique. They gently try to upgrade every sale. The advantages of Slumbercoach are explained to coach passengers. Business travelers and vacationers learn about possible sightseeing tours in the vicinity of their destination and return trip reservations are suggested to purchasers of one-way tickets. Hotel reservations, car rental, travelers checks, insurance—no detail is too small, nothing is overlooked by a Burlington salesman.

The same brand of courteous, suggestive selling is used by the clerks manning the battery of constantly busy telephones surrounding the space-diagram desk in CB&Q's reservation bureau on the fourth floor of Chicago Union Station.

When a reservation is made they urge the customer to pick up his tickets at "Will Call" in the Travel Headquarters or suggest mailing them to his home or office.

Since this service was started about three years ago, an average of 70 mail-outs are made each day and another 60 reservations are picked up daily at the "Will Call" desk. Regardless of the query, the reservation clerk never fails to "Thank you for calling Burlington."

As Mr. Burke pointed out, suggestive selling has been paying off for Burlington, not only in increased passenger business but in high employee morale. Every Burlington salesman from President H. C. Murphy—one of the most optimistic and aggressive of them all—to the youngest behind-the-counter clerk is enthusiastic about the future of passenger business and, more importantly, is doing something to bring in more business.

Mr. Burke has convinced CB&Q salesmen that "there is no subsitute for ringing doorbells. If you get out and hustle, you can get business."

The 'General' Will Ride Again

► **The Story at a Glance: The "General," probably the most famous locomotive in America despite its diminutive size, is being put in condition to run again under its own steam, to reenact the greatest moment of its hundred-plus-year life.**

That time will come next April, when the General will return to the history-haunted rails of Georgia's Western & Atlantic—now part of the Louisville & Nashville—to retrace the route it took 100 years ago during the Great Locomotive Chase.

In cooperation with the state of Georgia and its Civil War Centennial Commission, the L&N will present the General in ceremonies commemorating what has been called the most dramatic episode of that war. Complete with fresh paint and gleaming brass, and looking as new as when it rolled from the Rogers, Ketchum & Grosvenor locomotive works in Paterson, N. J., in 1855, the historic locomotive will be operating under its own steam when it appears at Kennesaw, Ga.

That is where a famous chase began on the rainy morning of April 12, 1862.

At Kennesaw, then called Big Shanty, James J. Andrews and his 19 Yankee raiders appropriated the General and three box cars while the train's conductor, William A. Fuller, and other crew members were breakfasting at the since-demolished Lacy Hotel.

The chase, told and retold in numerous books, short stories and motion pictures, began with Fuller and his crew pursuing on foot, and later by handcar and on three different locomotives. They made the final dash of the hazardous pursuit on the locomotive Texas, running in reverse at speeds up to 60 miles an hour over flimsy war-worn rails.

Fuller recaptured the General just north of Ringgold, Ga., when, after eight hours and an 87-mile run in the raiders' hands, it ran out of fuel and Andrews and his men abandoned it and fled to the woods.

After the chase, the General was shopped briefly for inspection and pressed back into service. Its real baptism of fire came on August 31, 1864, when it made an unsuccessful attempt to move one of the last trainloads of ordnance and ammunition out of besieged Atlanta. Confederate General Hood realized the city would have to be abandoned and he set fire to an 81-car train of ammunition and supplies. In the fire, two other locomotives were destroyed and the General was badly damaged.

The seemingly indestructible locomotive has had a colorful and historic career. Until the Civil War it was just one of more than 50 locomotives of the Georgia-owned Western & Atlantic, sometimes called the State Road, that connected Atlanta with Chattanooga, 137 miles away.

After the chase, it came under fire a number of times, especially during the battle of Kennesaw Mountain, where it was used in a desperate attempt to keep things moving for the Confederates in the face of Sherman's relentless drive down the railroad toward Atlanta.

During the latter part of the war, the W&A was operated as a U.S. Military Railroad. It was returned to the state of Georgia after hostilities ceased. A few years later the General was converted from a wood burner to a coal burner and equipped with a diamond stack. In 1882, its 5-ft-gage wheels were removed and standard-gage wheels installed.

The General was last reported in revenue service in 1886, but its traveling days weren't over.

Second Career Began in 1888

The famous 31-ton Confederate veteran began its second career when it made a pilgrimage to the G.A.R. reunion in Columbus, Ohio, in 1888. When the NC&StL leased the W&A in 1890 it restored the General from "condemned condition" at its Nashville, Tenn., shops and sent it to the World's Columbian Exposition at Chicago in 1893.

Returning to Chattanooga, the General has since been on "permanent exhibition" at that city's Union Station, but was taken out for special appearances at the Cotton States and International Exposition at Atlanta in 1895, the Nashville Centennial Exposition in 1897, the One Hundredth Anniversary of the Baltimore & Ohio Railroad at Baltimore in 1927, the Century of Progress Exposition at Chicago in 1933-34, the New York World's Fair in 1939-40, and the Railroad Fair at Chicago in 1948.

On June 6 it was again moved from its berth at Chattanooga to L&N shops at South Louisville, Ky., where it is being put in operating condition for its return to the State Road for next April's centennial observance of the 1862 Andrews Raid. L&N also will make the famous locomotive available for exhibition at various places during the remainder of the Civil War Centennial.

The lease of W&A property, including the General, was acquired by L&N when the NC&StL was merged into it in 1957.



L&N'S HISTORIC CIVIL WAR LOCOMOTIVE, the "General," is being conditioned to run under its own steam in a centennial observance, on April 12, 1962, of the Andrews Raid at Big Shanty, Ga., which resulted in the Great Locomotive Chase, sometimes called the most dramatic episode of the Civil War.

Invest In Yourself

For Permanent Dividends

Books by Experts to Help You Increase Your Income—
—Advance Your Career—Secure Your Future

ACCOUNTING

1 ACCOUNTING FOR MANAGEMENT CONTROL. W. H. Childs. For the man who is not an accountant but must have a good knowledge of the process. This new book (published May 1960) emphasizes the *understanding* rather than the *doing*, stresses the internal or managerial function of accounting rather than the external or public function. 727 pp. $10.50

ADMINISTRATION AND MANAGEMENT

2 FUNDAMENTALS OF PROFESSIONAL MANAGEMENT. John G. Glover. For the man who's moving up, or wants to, this book presents the guiding principles of sound business management practice and techniques for developing managerial leadership. Includes sections on such recent developments as automation and linear programming. Clearly written in easy-to-understand language. 406 pp. $6.50

3 THE DEVELOPMENT OF AMERICAN INDUSTRIES. John G. Glover and Rudolph L. Lagai. A complete survey of the role of industry in the economic growth of the U.S. Thirty-six major industries (including railroading, automobile, shipbuilding, telephone, atomic energy, etc.) are discussed, history, pioneers, sales, location, earnings, future, etc. 768 pp. pp. $10

TRANSPORTATION

4 FUNDAMENTALS OF TRANSPORTATION. W. L. Grossman. An up-to-date introduction to the entire transportation field, its history, economics, physical basis, equipment, role of government, rates and charges, regulatory agencies, transportation alternative, industrial traffic management. 300 pp. $5.50.

5 PRINCIPLES OF OCEAN TRANSPORTATION. V. Metcalfe. Surveys the business of ocean transportation, documents, terminal operation, cargoes, freight rates, insurance, admiralty law, chartering, world fleets and ports, U.S. Merchant Marine, etc. 250 pp. $5.50

6 INVESTMENTS. Douglas H. Bellemore. New second edition is practically an encyclopedia of the subject. Explains the mechanics of the market and provides sound, tested techniques of security analysis invaluable for every investor. 906 pp. $10

7 SECURITY ANALYSIS. Douglas H. Bellemore. A guide to the understanding of financial statements for investors and security analysts. Items in the balance sheet and income statement are explained and reviewed in detail. 206 pp. $5

8 WORLD ATLAS. John Bartholomew. An up-to-date, sturdily bound world atlas for office use with political maps of the nations plus thirty pages of maps illustrating climate, population distribution, shipping routes, etc. 112 pp. $2.75

RAILROADING

9 RIGHTS OF TRAINS. Peter Josserand. Analyzes the Standard Code of Operating Rules of the AAR. Explains and illustrates train rules, train orders and transportation problems of the operating department. 459 pp. $6

10 WHO'S WHO IN RAILROADING, 14th edition. The standard biographical reference in the railroad industry. Includes 1960 supplement. 703 pp. $18

11 RAILROAD OPERATION AND RAILWAY SIGNALING. E. J. Phillips, Jr. Provides the precise "why" and "how" of hundreds of important operating questions. An essential reference for the desk of every signaling communications engineer, signal suppliers, etc. 214 pp. $2.75

12 DIESEL-ELECTRICS . . . HOW TO KEEP 'EM ROLLING. Explains the electrical fundamentals of all makes, all types of diesel-electric locomotives in plain, non-technical language. 139 pp. $2.50

FOR YOUR COPIES—MAIL THE COUPON

Simmons-Boardman Publishing Corp., R.A. 9-4
30 Church Street, New York 7, N. Y.

Please send the books with numbers circled below:

1 2 3 4 5 6 7 8 9 10 11 12

I enclose herewith my remittance in the amount of $....., by ☐ check ☐ money order. I understand that if I am not completely satisfied with the book or books purchased, I may return same, postpaid, within ten days of receipt for full refund.

Name .....

Address .....

City ..... State .....

ICC Proposes Federal Subsidies

► **The Story at a Glance: Direct federal subsidy to preserve "essential" railroad passenger services has been recommended by the ICC. The recommendation came in the Commission's report on its investigation of the New Haven's operations and practices as they affect its passenger services and rates.**

Finding it "highly improbable that the New Haven can emerge from reorganization and continue to render essential transportation services in the absence of direct federal grants," the ICC has recommended that such assistance be made available to NH and other roads.

The proposed federal aid would be related to aid received from states and municipalities and would give NH about $7,300,000 a year under present conditions. The Commission estimated the total cost of its proposal at $52,000,000 a year if all roads applied and qualified for assistance.

The amount of subsidy a road could obtain would be determined by a formula which was spelled out in the Commission's report. Generally, a road could get an amount equivalent to its maintenance of way and structures costs solely related to passenger service plus an amount equivalent to state or local aid it received.

Examples given in the Commission report indicate that, under present conditions, the New York Central could get about $6,876,000 a year; the Pennsylvania $4,005,089 plus amounts it might get from New Jersey and Philadelphia, and the Long Island $4,842,000.

"A nation that is propelling a man to the moon," the Commission said, "should be able to solve the mundane problem of moving its citizens dependably and comfortably some 50 miles or less from home to work without multiplying ribbons of concrete and asphalt that would strangle the central cities they are supposed to serve."

Because the amount of the proposed subsidy would not be related directly to the size of a road's passenger deficit, the Commission said management would still have "a strong incentive to cut losses arising out of the performance of passenger services." Characteristics which the Commission thinks a federal-aid program should possess were set out in the report as follows:

1. Federal aid should not dull management incentives to cut losses.

2. No aid program should require the federal government, in the interest of protecting the public purse, to establish passenger train schedules or to prescribe standards of service and equipment.

3. The administration of the aid program should not require the services of more than a handful of additional government employees.

4. The sums to be disbursed should be determined primarily in accordance with generally accepted formula with minimal exercise of discretion.

5. The program should encourage the extension of tax relief and other assistance by local and state governments.

6. The amount of aid should not be so large as to encourage the continuance of passenger operations not required by the public convenience and necessity.

7. The amount of federal aid should be large enough, in conjunction with state and local assistance, to insure the continuance of passenger operations required by the public convenience and necessity.

8. The total cost of the program should be realistic when viewed in the light of general budgetary considerations.

9. The program should be sound in concept.

The Commission thinks its formula satisfies all of these criteria. The report also says the Commission turned to the subsidy idea because it is now "clear beyond any reasonable doubt" that elimination of subsidies to other passenger carriers cannot be achieved in time to save that part of the railroad passenger service which could survive under conditions of competitive equality. The report continued:

"Therefore, in proposing a modest program to alleviate the railroad passenger deficit problem, we do not retreat from our position that the subsidization of transportation enterprises by the federal government is generally undesirable except to the ex-

New York, Pittsburgh Developments

Pointing up the urgency of the problem of aid for essential passenger services—whether in the form suggested by the ICC in the New Haven case or in some other form—were metropolitan passenger proposals in the headlines last week.

In New Jersey, Governor Robert Meyner proposed that his state buy and operate the Hudson & Manhattan Railroad. In Pittsburgh, the Port Authority of Allegheny County summarily rejected a proposal for the authority to plan and operate a mass transit system for the Pittsburgh area.

The Hudson & Manhattan Railroad, owner of two tunnels under the Hudson River connecting New York City with several New Jersey commuter rail routes, has figured in one way or another in most of the plans for solving New Jersey's commuter problems. A "pilot project" proposed by State Highway Commissioner Dwight R. G. Palmer (RA, July 17, p. 34) would link Erie-Lackawanna's Montclair branch with the H&M and provide through service between Montclair and Hudson Terminal, New York. Other proposals call for the Jersey Central, which does not now connect with the H&M, to acquire trackage rights and operate into Pennsylvania Station in Newark, where JCL passengers would be able to change to H&M trains for New York.

The first step, however, is to provide funds for rehabilitation of the H&M. A potential source of these funds, the Port of New York Authority, has offered to buy the H&M for $20.5 million and then put $63 million more into a rehabilitation program (RA, Feb. 6, p. 34). Before the Port Authority can act, however, it must, as a bi-state agency, obtain approval from both the New Jersey and New York legislatures. New York has approved a bill permitting the Port Authority purchase of the H&M, but made it contingent on New Jersey approval of another Port Authority project in Manhattan. This, the New Jersey legislature failed to provide in its regular session before summer adjournment.

At a special session called by Governor Meyner last week, a new H&M proposal was introduced at the governor's request. This proposes that the State of New Jersey buy and operate the H&M, financing the project with an

for Essential Passenger Trains

tent clearly justified by compelling considerations of national defense.

"One further fact must constantly be kept in mind. The United States, like most other countries, is experiencing a population explosion. The impact of this enormous increase in population is intensified by the shift of population from rural areas and smaller communities to large metropolitan centers and by the movement out of those centers to sprawling suburban areas.

"Rail commutation service will be far more essential and much more widely used 10 years from now than it is today assuming that it is still available.

"Moreover, the population trends just noted suggest that some intercity rail passenger service could become increasingly competitive with transportation by air. Inasmuch as rail facilities, once lost, cannot be reconstructed except at a fantastic cost, it would be the height of folly to determine the essentiality of rail service solely on the basis of present patronage and without regard to definite future needs."

The Commission's recommendations included reaffirmation of its previous calls for repeal of the 10% fare tax and amendment to federal income tax laws to encourage local and state tax relief.

As to the New Haven, the Commission found that the passenger deficit was the primary cause of the road's financial difficulties. In addition to the proposed federal grant, the report called for state and local assistance for the road. It also called for the cooperation of labor.

"It would be unrealistic," the report said, "if employees of the New Haven were to assume that no sacrifice on their part is required. At present levels of traffic, some reduction in operating costs is imperative, even in reorganization. The New Haven payroll in 1960 was $77,266,390. Wages are by far the largest item of operational expense. Whether the contribution of New Haven employees should be in the form of increased productivity, modification of work rules, or in some other form cannot be determined from this record. We do say that some contribution on the part of labor is essential if the current level of employment is maintained."

Self-help measures recommended by the Commission called for New Haven management action to abandon some minor branch lines, a study of the relative advantages of full dieselization versus increased use of electric locomotives, strengthening of the management team, and obtaining of additional working capital.

As to the line-abandonment proposal, however, the report had this to say: "No inference should be drawn that the Commission has prejudged any abandonment applications that may be filed by the New Haven in the future. All such applications will be determined as provided by law and upon the evidence adduced in a proceeding in which all interested parties will have an opportunity to be heard."

The Commission made no recommendation concerning proposals that the New Haven's commuter operations be taken over by some state or bi-state authority. "What may be a desirable solution for Philadelphia commuters may not serve the needs of those commuting from Connecticut to New York City," the report said.

Brief separate expressions came from Commisioner Goff, concurring, and from Commissioner Freas, dissenting in part. Mr. Goff said his concurrence in the subsidy proposal "is primarily on the ground that an adequate rail network must be maintained in the interest of national defense." At the same time, he feels that "if subsidizing commuter traffic is necessary, this is the responsibility of the states and localities involved."

Commissioner Freas said he could not subscribe to the subsidy recommendation—"in spite of the current popularity of federal subsidies and the New Haven's dire need of assistance." Mr. Freas added: "Critical as the situation here is, I am of the opinion that at least some of the states and many of the municipalities directly affected should provide greater assistance before resort is made to cash federal subsidies."

Underscore Urban Commuter Crisis

appropriation of $30 million to be taken from commuter income tax revenues. Governor Meyner's proposal, which could be put into effect without waiting for New York approval, met with considerable support in the Assembly, but the Senate adjourned its special session without taking action on it.

The commuter income tax, from which the H&M purchase would be financed, is levied on Jersey residents who work in New York and New Yorkers who work in New Jersey. Since the tax is designed to transfer to New Jersey tax money now paid to New York, a test of the constitutionality of the tax is expected.

Later in the week, Governor Meyner met with Governors Rockefeller of New York and Dempsey of Connecticut in a three-state meeting on commuter problems.

In Pittsburgh, the Port Authority of Allegheny County rejected a proposal that PRR service be used as the nucleus of a coordinated mass transportation system. The authority called the use of railroad rights of way for rapid transit, a "distinct possibility for the future," but said that integration of bus operations would have to come first.

The PRR, which operates 30 trains on six commuter lines in the area, has asked the state Public Utilities Commission for permission to abandon its commuter service in the area and has been turned down. The decision is now being appealed to the Interstate Commerce Commission.

PRR Vice President Morton S. Smith commented, following the Port Authority decision: "The Port Authority's decision gives impartial and ringing confirmation to the Pennsylvania Railroad's position that its suburban service cannot be operated except at a substantial loss and therefore should be discontinued under private operation.

"However, as a member of the public committee which drafted the legislation giving the authority the responsibility to plan and operate a mass transportation system for our area, I am deeply disappointed," Mr. Smith said.

The Pennsylvania still believes, Mr. Smith added, that "use of existing rail lines by a public agency is essential to a basic solution of this city's transportation problems."



From P-S: New Bulk-Chemical Car

The new CHEM-O-VAC covered hopper, developed by Pullman-Standard and Union Carbide for efficient handling of bulk chemicals, features three center discharge outlets of stainless steel construction for unloading with suction type pneumatic systems. The 3,500-cu ft capacity car has three separate, hermetically sealed compartments which can be unloaded individually from either side of the car with a single hose hookup. CHEM-O-VAC also features stainless steel loading hatches and one-piece side construction. Pullman-Standard will build 46 of the new cars at its Butler, Pa., plant for lease by Transport Leasing Co., to Union Carbide Corporation.

Rapid Transit for Atlanta?

A fully automated, $200-million rail rapid transit system has been proposed for Atlanta.

The Atlanta Regional Metropolitan Planning Commission says a 60-mile, 32-station system, using present railroad rights of way, could be in service in the five-county metropolitan area within eight years.

The commission, a local government-sponsored agency whose findings are not binding, made its recommendations in a 32-page report. First step would be the approval of legislation by the Georgia General Assembly leading to creation of a transit authority. Public ownership of the rapid-transit system, with an option for private management, was suggested by the commission.

Under the commission's plan, fixed facilities such as tracks and stations would be publicly financed. Passenger revenues would cover the costs of rolling stock and operation.

The commission noted that "the plan is based on need, not on available local funds," and added that "federal and possibly state aid will be necessary."

The system would maintain scheduled speeds of at least 45 mph. Bus systems in five outlying areas would feed passengers to radial lines carrying single cars or trains.

"In order to attract and hold a sufficient number of riders from middle and upper income brackets," the commission said, "quality, comfort, speed and dependability must be emphasized. This should include such services as automatically controlled schedules, air-conditioning and monthly billing for credit card passengers."

The system would serve a metropolitan area with a population of 1,049,000—an increase of 44% since 1950. It would serve as an auxiliary to the city's existing expressway system and bus and trolley lines operated by the Atlanta Transit Co.

ICC Gives Congress Legislative Proposals

The ICC has recommended a 10-point legislative program which it thinks will help arrest the common-carrier industry's "plunge to disaster."

The program was presented by Commission Chairman Everett Hutchinson to the Senate Commerce Committee's Surface Transportation Subcommittee, which is investigating the erosion of common carriers.

Among the Commission's recommendations were the call for federal subsidies to maintain essential railroad passenger services which it had called for earlier the same day in its report on the New Haven's financial troubles. Immediate reaction of senators attending the hearing was somewhat adverse. The subcommittee's chairman, Senator Smathers of Florida, called the proposal "poorly timed," while Senators Lausche of Ohio and Thurmond of South Carolina said they would be opposed to it.

Some of the other proposals in the Commission's prescription were also in the New Haven report. These were the calls for repeal of the fare tax; and amendment of federal income-tax laws to encourage state and local tax relief. Other recommendations submitted to the subcommittee were these:

- Tighten the so-called agricultural exemption and repeal the bulk-commodities exemption which, respectively, leave trucking of farm products and water transportation of commodities in bulk free of regulation.
- Require agricultural cooperatives and shippers' associations to apply for exemptions from federal regulation.
- Expand the Commission's powers to deal with both "gray-area" and unlawful for-hire transportation such as buy-and-sell practices.
- Provide income tax arrangements to shorten depreciation terms for railroad property and to permit all common carriers to set up construction reserve funds.
- Amend Section 22 so as to permit the performance of transportation services for government at reduced rates only in time of war or national emergency.

Coordinated Associations Meet Next Week

When the four Coordinated Associations meet Sept. 11-13 at the Hotel Sherman, Chicago, they will have the opportunity to inspect both indoor and outdoor exhibits.

Sponsored by the Allied Railway Supply Association, the displays include equipment exhibits on approximately a mile of track at the Illinois Central's 31st Street Yard and indoor exhibits in the Sherman's Exhibition Hall. Approximately 40 exhibitors will display equipment at the track exhibits and 120 companies will show equipment and products at the hotel. The ARSA was trying last week to locate all hotel exhibitors in the Sherman's main exhibit hall and eliminate use of the lower exhibit hall. Bus service will be operated from the hotel to the track exhibit area.

E. P. Gangewere, president of the Reading, will be the principal speaker at the luncheon honoring railroad presidents on Tuesday, Sept. 12. He will also address the Air Brake Association at its first session on Sept. 11.

NYC Fights for LCL Embargo

► **The Story at a Glance: The ICC last week thwarted New York Central's undertaking to embargo LCL freight to and from all but 12 points on its lines. The embargo was designed to cut Central's LCL deficit while it waited for the Commission to decide a pending case involving the road's plea for an easing of restrictions which have limited substitutions of trucking operations for rail movements of LCL.**

The embargo, issued by Central to become effective Sept. 5, was annulled by Service Order No. 938, issued by the ICC's Safety and Service Board No. 1. Central then asked the Commission to vacate the service order, and has indicated that the case will be taken to court if the Commission denies that petition—which it did in an August 31 order by Division 3.

New York Central's proposed LCL embargo, which was blocked by the ICC, was to have been a temporary ban remaining in effect until the Commission passed on Central's plan "to modernize its LCL operations and remove existing impediments to efficient car operations."

That's the way it was explained by Wayne M. Hoffman, NYC vice president—sales, who also pointed out that the modernization plan is in issue in a pending case wherein Central seeks to eliminate 33 "key-point" restrictions on its LCL trucking operations. The "key-point" restrictions are among the usual ones imposed by the Commission to insure that trucking operations of a railroad or railroad affiliate remain auxiliary to rail service. They specify "key points" between which trucking operations cannot be substituted for rail service. Mr. Hoffman explained Central's problem as follows:

"Small LCL shipments which could be more efficiently, quickly and easily handled to points between major cities by truck, must be moved in box cars. However, the box cars must be held at freight terminals until sufficiently filled with the small freight to justify being forwarded to the destination. Since the volume of business is low, the shipments between many of these key points are necessarily infrequent."

Central's petition to reduce the key-point restrictions (from 45 to 12) has been before the ICC for 15 months. An examiner's proposed report generally favoring Central's position was issued in June, but the time for filling replies to exceptions to that report does not expire until Sept. 10. Meanwhile, Central sought temporary authority to operate its trucks with the freedom recommended by the examiner, and this request was denied by the Commission. The embargo proposal was Central's next move.

Its announcement of the ban cited evidence in the key-point case which indicated that the relief there sought would cut the road's LCL deficit by more than $2,000,000 a year. The 12 cities at which Central proposed to continue the service are: Boston, New York, Albany, Syracuse, Buffalo, Cleveland, Toledo, Cincinnati, Detroit, Indianapolis, Chicago and East St. Louis.

The proposed embargo was issued Friday, Aug. 25, and the annulment order was issued by the Commission's Safety and Service Board No. 1 on Saturday, the 26th. It was an extraordinary session of the board, since Commission offices are usually closed Saturdays. Moreover, Commission Chairman Hutchinson, on Sunday, the 27th, issued a statement for release the following day, when Central's announcement was released. Noting that Central "has been ordered, in effect, to continue giving the public the railroad service provided for in its tariffs," Chairman Hutchinson added:

"The law provides a means for the railroads to change their tariffs and, among other things, it assures the public 30 days' notice of a railroad's intention to make tariff changes. By its embargo plan, the Central would deny the public the 30 days' notice called for by the law. It would also deny the LCL service to 33 of the principal points on its lines, but would continue the service at 12 of the largest cities it serves. In other words, Central would continue serving its larger customers, but would take away rail LCL service from the smaller business and localities.

"The public has a right to expect the New York Central to abide by the provisions of its tariffs and of the Interstate Commerce Act. The Commission could not, in good conscience, stand by and permit the New York Central to impose such an embargo, an action reserved for extraordinary circumstances which render the carrier unable to perform the service."

Central's appeal was embodied in a petition to the Commission's Division 3, the appellate division with jurisdiction over actions of Safety and Service Boards. While Commission rules provide that Division 3 decisions shall be final in such cases, the entire Commission, of course, can take over any case.

Though it assures Division 3 that it will observe the annulment order, Central nevertheless argues in its petition that Safety and Service Board No. 1 was "powerless" to issue that order. This argument is based on Commission orders creating employee boards, which orders lack specific provisions delegating authority to annual embargoes. "Delegated powers may not be implied," the petition added.

For purposes of the petition only, Central assumed that the Commission is empowered under the Interstate Commerce Act's Section 1 to annul embargoes. It added, however, that if Division 3 were to supplant the board's annulment order with one of its own, then Central would contend that the Commission lacks annulment power.

The embargo was "a lawful exercise of managerial discretion" on the part of Central, the petition continued.

The petition called the present key-point restrictions "legal impediments which preclude economic and efficient service and foster unsound economic conditions in transportation." These impediments, and the general "financial crisis" confronting all eastern railroads, created a situation which was appraised as one calling for "extraordinary measures." Thus the embargo which was expected to bring an immediate reduction in LCL out-of-pocket costs of approximately $10,000 per working day greater than revenues that would be lost.

"Decisions, right or wrong, can be lived with, but indecision is the only policy with which Central cannot live or accommodate itself," the petition said in referring to the 15 months during which the key-point case has already been pending. It defended use of the temporary embargo rather than tariffs to cancel the LCL service because the embargo would afford immediate relief, whereas a tariff-cancellation proceeding could be prolonged "for two or three years."

Time enough to get into the latter if the Commission's decision in the key-point case is adverse, the petition suggested. On the other hand, if the decision is favorable, the embargo could be lifted immediately.

"Thus," the petition added, "it is only during the period of indecision by the Commission that the Central is, and will be, incapable of exercising self-help with respect to less-carload traffic; as soon as the plan is approved or rejected by the commission, Central will be able to take appropriate action toward controlling the LCL deficit."

RAILROADING AFTER HOURS WITH JIM LYNE

TOO MANY HIGHWAYS?—In a recent Seattle speech a prominent Democratic senator (Harrison Williams of N.J.) warned against placing too great reliance on highway transportation—because it replaces "valuable tax ratable property by non-taxable concrete and asphalt."

That observation, of course, goes to the heart of the whole transportation problem. If all transportation were on the same self-sustaining and taxpaying basis that railroads are, there would be no problem—or at worst, only a little one. But once an operation like highway or waterway transportation gets on the dole, as they are, they get to feeling that the favors they enjoy are inalienable rights. And a lot of people get the idea that equality for railroads can be achieved only by getting them subsidized too—rather than the alternative of subsidizing nobody.

Senator Williams estimates it would cost 5 large cities $31 billion for additional highways, if railroad commuter service were discontinued.

PARMELEE, RR AUTHORITY—I have a wire from Former President Faricy of the AAR commenting on the death of Dr. Julius Parmelee, who for so many years was AAR's top authority—practically an oracle—on railroad economics and performance statistics. "Of all railroad men I have known he was certainly one of the greatest," says Mr. Faricy. Amen.

It is my inclination to assess a man's performance—not only by how well he does his job while he's active, but equally by the caliber of the people he leaves to carry on when he retires. And Doc Parmelee certainly took good care of that end of his responsibility too.

IDEAL TRAFFIC MANAGER—Professor Ed Nightingale of the University of Minnesota has sent me a copy of an informative talk he made recently, on education for transportation work, to a convention at Minneapolis of agricultural cooperative people. He specified for them the desirable qualifications of an industrial or railroad traffic manager, as follows:

"He should be an economist with concentration in transportation, an accountant, a lawyer, an economic geographer, a business historian, an expert in business finance, an industrial relations expert, a reasonably good mathematician, a statistician, a marketing expert, a research director, a production expert, a public administrator, a psychologist skilled in human relations, a scientist in at least one field related to his enterprise, a sociologist, a master of spoken and written communication, and a general manager."

Some companies, in selecting their traffic chiefs, may have had to settle for a somewhat shorter list of attainments.

TWO BASIC SKILLS—I don't dispute the desirability of any one of the skills Ed Nightingale has specified, but I would settle for fewer of them—provided the candidate had some proficiency in a couple of basic areas: (1) logical reasoning, and (2) ethical behavior.

You don't have to go to school to get either of these skills, but study of economics and mathematics will help with (1). There are mighty few schools that provide instruction in (2), but the candidate who has this qualification will be excused for the lack of many others. (I refer here only to the importance of ethical behavior from the standpoint of its practical value in a profession—since I'm qualified only as a reporter, not as a cleric.)

EFFECTIVE CHAIRMEN—Chairmanship of a big meeting is an important job—the man with the gavel usually being primarily responsible for (1) the efficiency, thoroughness and speed of the group's operations; and (2) keeping friction to a minimum. One of the proficient operators in this area has been Ed Hill, veteran traffic committee chairman (first for Central Territory and, more recently, Eastern railroads), who has just retired. Another adept in the chair is President George Baker of the Transportation Association of America.

The time of high-priced people that such masters of ceremonies have saved must run not merely into man-hours and man-days, but even man-years.

Sometimes these presiding officers get able help from the floor—as, for example, one time when a couple of members were debating with increasing bitterness. Another member interrupted to say: "I'm sorry to disturb these two gentlemen, just at a time when they were about to reach an amicable agreement. . ." The contagion of the resulting laughter caught on with the heated debaters, and useless conflict was terminated.

NOT SO IMPOSSIBLE, MR. W—Commissioner Walrath has denounced as "an impossible situation" the freedom from regulation of the Alaska Railroad, while other transportation in the peninsula is regulated. Is that condition any more "impossible" than regulating the other U.S. railroads while 90% of the barge traffic and two-thirds of the truck traffic is exempt?

Mr. Railroader:

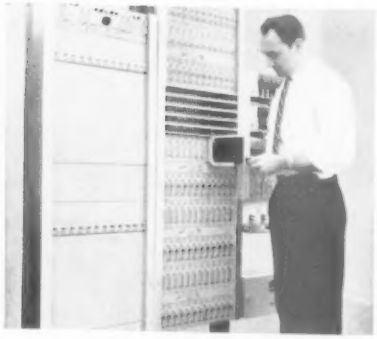
YOU CAN LOWER THE COST OF YOUR ELECTRICAL ENGINEERING AND CONSTRUCTION!

For over four decades, we have specialized in Railroad Electrical Engineering and Construction. Such service has included a co-ordinated program for serving the Railroad Industry: Surveys, Preliminary Design and Cost Estimates, Final Working Drawings, Firm Construction Costs.

Let us show you how we have worked with Engineering Staffs of prominent Railroads who have used, to their advantage, our experience as Specialists to reduce costs and increase operating efficiency.

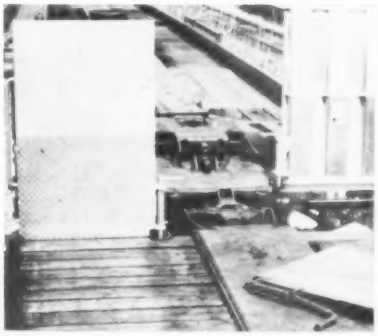
HARRY F. ORTLIP, President
Harry F. Ortlip Company
50 North 18th Street
Philadelphia 3, Pa.
LOcust 4-4800

NEW PRODUCTS REPORT



Multiplex System (RA-1)

A 12- to 600-channel multiplexing system (in increments of 12 channels) for long-haul use on microwave is designated type 46A, and will provide high-grade voice circuits on as many as seven tandem links totaling up to 4,000 miles. Channel harmonic distortion is no greater than 1% (40 db below a zero reference test tone), and built-in drop-to-drop frequency stability is less than ±1 cycle over a 3-month period on the worst channel. *Lenkurt Electric Co.*



Trailer Bridge Plates (RA-2)

Bridge plates, used to span the gap between piggyback flat cars, are now designed and fabricated of lightweight aluminum. The welded assemblies are said to be durable and will support legal truck-trailer loads. One type with an abrasive treadplate surface has been in service for two years. Another type has a diamond treadplate surface. Each weighs 85 lb. Conventional designs weigh 165 lb. *Aluminum Co. of America.*

Microwave Alarm (RA-3)

The Marc 3,000 system monitors or controls any number of functions at any number of microwave repeater stations. A basic repeater terminal consists of a time-division-multiplex coder and a narrow band frequency-shift tone transmitter. The coder continuously and sequentially scans the contacts of the user's alarm sensing devices and generates a DC pulse code representing those inputs. The coder's pulse code keys the tone transmitter which, in turn, impresses its tone on the microwave baseband. Different frequencies are used by each repeater.

At the attended terminal there is a tone receiver and a station status detector respective to each remote repeater. Each station status detector continuously examines the DC pulse codes from its tone receiver to detect 1) the presence of any alarms at its repeater, and 2) the occurrence of the first or subsequent alarms as they occur. Both (1) and (2) are indicated on the system status display. Resettable visible and audible indications occur whenever a new alarm is detected. *Moore Associates, Inc.*

Cable Tracer (RA-4)

The Amprobe cable tracer is a device to trace the wires of a cable (or multiple wire runs), displacing the commonly used homemade battery and buzzer combination. This device has the advantage of being able to trace 10 wires without changing connections at the other end, thus allowing one man to perform the operation.

The device consists of the cable tracer and 10 station markers. The station markers are numbered 1 through 10; each is connected to one end of a pair of wires (or one wire plus a common). At the other end of the cable, when the cable tracer is connected to a pair of wires and the button pushed, a light will light under a number corresponding to that on the station marker. The cable tracer handles wires up to No. 10.

The unit is powered by a 1.5-volt mercury battery and uses 1.5-volt indicating lamps. Maximum cable run for a given wire size is as follows: No. 12 wire, 1,600 ft; No. 14 wire, 1,000 ft; No. 16 wire, 600 ft; No. 18 wire, 400 ft; No. 20 wire, 250 ft. *Pyramid Instrument Corp.*

RAILWAY AGE WEEKLY

PLEASE SEND ADDITIONAL INFORMATION RELATING TO PRODUCTS ADVERTISED ON PAGES 2 3 4 6 8 28 37 39 40

PLEASE SEND ADDITIONAL INFORMATION RELATING TO PRODUCTS DESCRIBED ON PAGES 29 and 30 MARKED
RA-1 RA-2 RA-3 RA-4 RA-5 RA-6 RA-7

NAME ..... TITLE .....
COMPANY .....
ADDRESS .....
CITY ..... ZONE ..... STATE .....

9/4/61

FIRST CLASS
PERMIT NO. 153 N.Y.

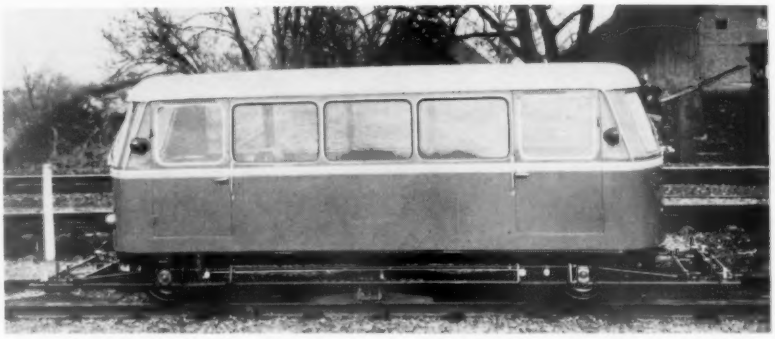
BUSINESS REPLY MAIL
NO POSTAGE NECESSARY IF MAILED IN U. S.

POSTAGE WILL BE PAID BY

RAILWAY AGE WEEKLY
30 CHURCH ST.
NEW YORK 7, N. Y.

READERS' SERVICE DEPT. (Attention George Johnson)

NEW PRODUCTS REPORT



Track Inspection Car (RA-5)

A new mobile laboratory for determining track conditions has been introduced. Known as the NCG-Amsler Track Inspection Car, it is the first of a series of products manufactured by the Swiss firm of Alfred J. Amsler & Co. to be marketed by the National Cylinder Gas Division. The latter company has obtained exclusive rights to sell and service these products in the United States and Canada. The car is designed simultaneously to measure gage, cross level, gradient, curvature, twist and the distance the car has traveled. Measurements are continuously recorded in U. S. units on a single roll of paper. In addition to determining track condition for programming maintenance work, it is stated that the car can be used to verify the effectiveness of the work. NCG also plans to market a small manually propelled track inspection unit for performing local measurement work. This device is designed to be easily lifted off the track. *National Cylinder Gas Division, Chemetron Corp.*



Improved Gang Cars (RA-6)

Two improved medium-duty gang cars are available. One, the A5 Series E, is powered by a 4-cyl, 35-hp engine. The other, the A4 Series D, has a 4-cyl, 48-hp engine. Both cars have sheet steel end panels which extend the full width of the car up to the level of the seat. Each car is equipped with a clutch, 4-speed transmission, propeller-shaft drive and an enclosed-axle reverse drive. *Fairmont Railway Motors, Inc.*



Local Battery Phone (RA-7)

Type 183 telephone, for use on dispatcher's or message circuits, utilizes a minimum of space. The unit is 5½ in. high by 3½ in. deep and 6 in. wide overall. The handset is 8½ in. long. The handset cradle swivels 180 deg, and locks in any of seven different positions. Type 183 can be mounted on the edge of a desk, against a wall, or on a post or column. For a message circuit, a type 32 ringer box is used. *Automatic Electric Sales Corp.*

BUSINESS REPLY MAIL
NO POSTAGE NECESSARY IF MAILED IN U. S.

FIRST CLASS
PERMIT NO. 153 N.Y.

POSTAGE WILL BE PAID BY

RAILWAY AGE WEEKLY
30 CHURCH ST.
NEW YORK 7, N. Y.

READERS' SERVICE DEPT. (Attention George Johnson)

RAILWAY AGE WEEKLY

PLEASE SEND ADDITIONAL INFORMATION RELATING TO PRODUCTS ADVERTISED ON PAGES 2 3 4 6 8 28 37 39 40

PLEASE SEND ADDITIONAL INFORMATION RELATING TO PRODUCTS DESCRIBED ON PAGES 29 and 30 MARKED
RA-1 RA-2 RA-3 RA-4 RA-5 RA-6 RA-7

NAME ..... TITLE .....
COMPANY .....
ADDRESS .....
CITY ..... ZONE..... STATE.....

9/4/61

Market Outlook

Carloadings Drop 0.5% Below Previous Week's

Loadings of revenue freight in the week ended Aug. 26 totaled 592,265 cars, the Association of American Railroads announced on Aug. 31. This was a decrease of 2,889 cars, or 0.5%, compared with the previous week; a decrease of 2,699 cars, or 0.5%, compared with the corresponding week last year; and an increase of 43,388 cars, or 7.9%, compared with the equivalent 1959 week.

Loadings of revenue freight for the week ended Aug. 19 totaled 595,154 cars; the summary, compiled by the Car Service Division, AAR, follows:

REVENUE FREIGHT CARLOADINGS
For the week ended Saturday, Aug. 19

District	1961	1960	1959
Eastern	85,527	82,039	76,073
Allegheny	100,255	93,208	77,774
Pocahontas	53,849	50,527	46,815
Southern	105,529	108,258	111,894
Northwestern	95,444	108,114	69,709
Central Western	108,921	108,561	110,155
Southwestern	45,629	45,757	50,066
Total Western Districts	249,994	262,432	229,930
Total All Roads	595,154	596,464	542,486
Commodities:			
Grain and grain products	56,536	58,064	51,080
Livestock	3,937	3,817	5,489
Coal	107,025	106,747	97,254
Coke	6,993	5,636	2,958
Forest Products	41,378	41,161	42,127
Ore	56,223	55,941	10,707
Merchandise l.c.l.	28,652	34,982	41,761
Miscellaneous	294,410	290,116	291,110
Aug. 19	595,154	596,464	542,486
Aug. 12	591,062	600,021	544,569
Aug. 5	588,969	594,444	532,259
July 29	591,356	613,988	544,862
July 22	584,137	619,818	536,395
Cumulative total, 33 weeks	17,540,731	19,779,118	20,106,345

PIGGYBACK CARLOADINGS.—U.S. piggyback loadings for the week ended Aug. 19 totaled 11,530 cars, compared with 10,806 for the corresponding 1960 week. Loadings for 1961 up to Aug. 19 totaled 360,967 cars, compared with 348,417 for the corresponding period of 1960.

IN CANADA.—Carloadings for the seven-day period ended Aug. 14 totaled 70,951 cars, compared with 68,307 for the previous seven-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada		
Aug. 14, 1961	70,951	22,161
Aug. 14, 1960	73,875	23,893
Cumulative Totals		
Aug. 14, 1961	2,098,903	761,002
Aug. 14, 1960	2,254,868	889,976

New Equipment

FREIGHT-TRAIN CARS

► *Transport Leasing Co.*—Will lease 46 CHEM-O-VAC covered hoppers to Union Carbide Corporation. The 3,500-cu-ft capacity cars, equipped with stainless steel center discharge outlets for pneumatic unloading of bulk chemicals, will be built at Pullman-Standard's Butler, Pa., plant during fourth quarter 1961.

FOREIGN

► *Brazilian Federal Railway System.*—Placed a $1,000,000-order with the International Division of the Budd Co. for engineering and major components for 26 stainless steel Pioneer III cars. The order is in addition to a $4,000,000-order placed with Budd in July (RA, July 10, p. 51). Components to be built at Budd's Red Lion plant in North Philadelphia include 26 stainless steel center sill assemblies, 40 end underframe assemblies for trailer cars, 12 end underframe assemblies for motor cars, 40 truck assemblies for trailer cars, 12 truck assemblies for motor cars. Budd's Brazilian licensee, Mafersa, will manufacture the remainder of the required components and will complete the assembly of the 26 cars in its shops at Sao Paulo.

► *India.*—Will import 60 meter-gage and 40 broad-gage diesel locomotives from the U. S. this year, in addition to seven switchers from West Germany. A total of 300 diesel units are to be imported during the third five-year-plan.

► *Pakistan Railways.*—Second Five Year Plan calls for expenditure of $340.8 million. Major item is new rolling stock ($177.7 million).

► *Peru.*—Will use proceeds of a $1.5-million Export-Import Bank credit to finance the purchase in the U.S. of six diesel locomotives and spare parts. The acquisition is part of a railway modernization program that will cost a total of $16.3 million.

► *Thailand.*—Invites bids until Oct. 30 for the supply of three "royal saloon" cars and 664 freight cars. Details are available from the Bureau of International Business Operations, U.S. Department of Commerce, Washington 25 (RA, May 8, p. 31).

New Facilities

► *Alabama State Docks.*—Installing 5,000 feet of track serving the Decatur State Docks at Decatur, Ala., at an estimated cost of $90,000.

► *Canadian National.*—Will begin construction "shortly" of a $750,000 central administrative building in Quebec City.

► *Chesapeake & Ohio.*—Ordered CTC equipment from Union Switch & Signal Division of WABCo. for installation between Huntington and St. Albans, W. Va., approximately 35 miles. Control will be from an existing TCC machine at Huntington.

Hodges Gets Advice on Transport

► **The Story at a Glance: The "Magna Carta" proposals and several other items from the railroad industry's legislative program are what the AAR would like to have President Kennedy endorse in the transport message he plans to send Congress next year. The AAR presentation went last week to Secretary of Commerce Hodges who had asked the association and other interested parties to submit proposals from which he can develop recommendations for the President's consideration.**

Other interested parties who made submissions included the Railway Labor Executives Association, American Trucking Associations, American Waterways Operators, the National Industrial Traffic League and the Transportation Association of America. Secretary Hodges said at a press conference last week that a "bushel basket full" of presentations had been submitted, and that they were being reviewed by his staff.

Fifteen proposals for governmental action in the transportation field were submitted last week to Secretary of Commerce Hodges by the AAR. The presentation was an 8½-page letter signed by AAR President Daniel P. Loomis and several supporting memoranda.

The presentation advanced again all proposals of the "Magna Carta for Transportation" which was promulgated last March by directors of the AAR, and it also called for action on several other recommendations of the industry's legislative program. Listed by Mr. Loomis as "essential and urgent" were eight proposals:

1. Repeal or extension to railroads of Interstate Commerce Act provisions which leave trucking of agricultural products and water transportation of commodities in bulk free of regulation.

2. Provision for adequate user charges on publicly-provided transport facilities.

3. Removal of restrictions which circumscribe railroad operations of other modes of transport.

4. Reduction of the life of depreciable railroad property for income-tax purposes.

5. Similar income-tax arrangements to permit accumulation of construction reserve funds.

6. Prohibition of discriminatory state and local tax assessment of rail road property.

7. Prohibition of the performance of for-hire transportation by private carriers.

8. Repeal of the 10% tax on fares.

Mr. Loomis urged action on these proposals as soon as possible. The other seven recommendations in the association's presentation he called "less urgent" in the sense that they could wait until next year. These seven are:

1. Repeal of the commodities clause which prohibits railroads from transporting commodities (except lumber) which they own or produce.

2. Provision for deduction for federal income tax purposes of amounts received by railroads in local tax relief.

3. Provision for ICC determinations of the economic justification for inland waterway projects.

4. Expedition of procedures for adjustment of railroad mail-pay rates.

5. Clarification and liberalization of competitive bidding requirements in the Clayton Act's Section 10.

6. More liberal arrangements for carry-over of net operating losses for income-tax purposes.

7. Indemnification of railroads against liability arising from transportation of unusually hazardous materials for the government.

Mr. Loomis' presentation also pleaded for rejection of all proposals "for discouraging and retarding voluntary railroad mergers and consolidations," and all proposals, such as the so-called "Hoffa Bill," to restrict what rate-making freedom common carriers now have.

And this rate-freedom position was consistent. Mr. Loomis also opposed repeal or substantial amendment of those provisions of the Interstate Commerce Act's Section 22 which permit carriage of government freight at reduced rates. As the AAR president noted, these provisions assure rate-making freedom so far as government traffic is concerned.

The RLEA presentation called an "expanding transportation system" the most important need of the country today. The transport system should be "growing in pace with the nation's population, its industrial expansion, and its defense requirements," the railway labor unions said. They added that federal, state and local government action to insure this should be undertaken "where necessary."

To the foregoing end, RLEA said that elements "impeding an expansion" should be curbed. The labor presentation followed through to call for an end to line abandonments and curtailments of services; the blocking of railroad consolidations "fathered only to yield bonanzas to the financiers without regard for their irreparable harmful effects to the public and to the nation"; action to retain and develop skilled manpower resources, "including the banning of contracting out of essential railroad construction and repair work . . . and the restoration of such work to the railways."

The presentation of American Trucking Associations embodied a 14-point program, five of them designed to deal with so-called "gray-area" abuses arising out of exempt transportation. The five included calls for repeal of those provisions of the Interstate Commerce Act which permit trip-leasing of trucks on return trips following an initial haul of commodities exempt from transport regulation; tightening of the agricultural exemption; and registration with the ICC of exempt for-hire carriers.

ATA sided with the railroads in their plea for shorter depreciation terms for rolling stock "if investigation reveals that present periods are unrealistic."

The presentation of American Waterways Operators was a letter which AWO President Braxton B. Carr wrote to Secretary Hodges. It said an ending of "selective rate cutting" was the transport industry's "most urgent need."

The NIT League presentation set forth various recommendations designed to implement league policies. One of them called for restatement of the national transportation policy to make it clear that the policy is a guide "and does not confer any authority on the Commission which is not contained in the substantive provisions" of the Interstate Commerce Act.

The Transportation Association of America recommended an 11-point program, including calls for immediate action to shorten depreciation terms for carrier property and repeal the fare tax. The other TAA proposals included calls for encouragement of repeal of discriminatory tax laws, construction-reserve-fund arrangements, repeal of those provisions of Section 22 which permit carriers to give the government reduced rates, user charges for carriers "not now paying for facilities they use," and repeal of the commodities clause.

TRANSPORT FORUM EYES MERGERS (*Continued from page 10*)

It's a tool of progress, not a bail-out or an expedient to keep a railroad out of or throw it into bankruptcy, if you will."

Other phases of merger and their problems—and they do differ markedly between modes—came quickly from Ryder's Mr. Pinkney and UAL's Mr. Patterson.

In at least three ways, motor carrier consolidations involve substantially different conditions than those found in many, if not most rail mergers:

- Most motor carriers haven't the stable, institutional type of management that the railroad industry has. Many trucking operations are one- or two-man management propositions.
- General practice has been to merge end to end—there isn't much economic point to facility consolidations in an industry which has a relatively low ratio of fixed plant investment to revenue. Elimination of duplicating lines is seldom a factor and "unless you can extend your route, there's little point in consolidating."
- Truckers, according to Mr. Pinkney, have had little or no problem with labor in connection with merger because "ours has been an ever-expanding industry." (Other conference speakers from the motor carrier field, however, took a less optimistic view and indicated that if labor hasn't played much part in mergers to date it will in future consolidations.)

How Airlines See It

Still other considerations, UAL President Patterson brought out, affect mergers in the relatively young airline industry. He took out after the Civil Aeronautics Board for permitting a "wild rampage of excessive competition" to take place—and he unleashed a strong opinion that the recent UAL-Capital merger was approved "because Capital's body was cold and there was no real alternative."

Will other airline consolidations take place? Mr. Patterson isn't overly optimistic. He questions the possibility "of merging two reasonably successful companies—there's something sadistic about people, they can't seem to stand success in the air transportation field." And he concluded, there's a definite industry problem if an airline can't merge except by buying out a bankrupt company and, in effect, bailing the government out of its mistakes.

These were the cautions spelled out by the men who have lived through transportation mergers. From the academic and consultant level came a paralleling set—specifically, from Prof. A. S. Lang, Department of Civil Engineering, MIT; and from Robert P. Neuschel, McKinsey & Company.

Prof. Lang approached merger from a technological standpoint—viewing the relationship between advancing technology and corporate size and structure. As he sees it, technological sophistication will pick up even more speed in years ahead—and this means that:

- More time must be devoted to planning and technology, to intellectualize the design of machines to a higher degree.
- More care must be taken in fabricating machines and in implementing new techniques.
- Machines must be made bigger in order to get economies of scale.

Such increased technological sophistication, he noted, will require expenditure of more capital—and it will require employment of more highly specialized personnel in operations and maintenance functions. These factors, he said, operate as incentives for an increase in corporate size. Staff work will become far more important, relative to line work—and, in fact, "the ultimate is all staff and no line. We will need more highly specialized people—and they're high-priced people. A small organization can't afford this." In the same fashion, Prof. Lang pointed out, increased capital needs will call for an enlarged corporate base—perhaps not in each case, but in the aggregate.

Mr. Neuschel concentrated on two main points: that potential operating advantages to be gained through merger are exciting; and that, despite this, the advantages "are far from automatic . . . they can be most difficult to achieve."

A host of factors, he said, are pushing common carriers into merger—overcrowded route structures, the rapid increase in proprietary transport, government regulation and high taxation, among them. These factors alone can justify unifications in some instances—but, he emphasized, there are also definite positive advantages to merger, principally in providing marketing benefits and opportunities for reducing costs.

Mr. Neuschel's checklist of cautions hit three major items:

- Mergers present a tougher problem than managements ever plan for.
- It's easy to over-estimate benefits accruing from consolidation.
- Problems with people can be "the greatest obstacle to success . . . You must take a sober and hard-nosed approach if you're to turn merger to advantage in a significant way."

He offered, in addition, a half-dozen suggestions to merger-minded managements, regarding ways and means of smoothing the path to consummation of merger and a realization of the benefits it can bring:

- Be down-to-earth in estimating benefits—because they're a basis for initial decision and, later, a target to shoot at and a basis for judgment of merger's effectiveness.
- Pre-plan post-merger moves and strategies. Merger, Mr. Neuschel pointed out dryly, is an infrequent problem for most managements. They've had little or no experience in the ins and outs of consolidation. Hence, pre-planning cannot be anything but a vital step.
- Act with planned speed. Timing is vital, he stressed—and significant changes should be timed to coincide with the effective date of merger (in order to take maximum advantage of the lessened resistance to change which occurs at that specific time).
- Look to improve your own organization—don't just study your merger partner to see how his organization or operations can be bettered.
- Have the courage to spend money to get the benefits merger can produce.
- Be tough-minded about people. Promote the handling of enlarged responsibilities—and cut payroll where there's unprofitable duplication.

And overall: "Think it through — then have the tenacity and the courage to fight it through to attain the benefits."

On the second day of the conference, the program turned all practical—to the nuts-and-bolts approach to rail, truck and airline mergers. And here, too, considerations of rail consolidations dominated the discussion.

Three Courses Open

Merger-minded managements, having made the decision to seek consolidation and having found a partner, have three courses open, as Vernon V. Baker, director of the ICC's Bureau of Finance, pointed out.

- One carrier can lease another, thereby avoiding the immediate, heavy capital expenditures associated with a purchase. But, Mr. Baker said, "a long-term lease at a fixed rental is at best a gamble"—and it's one that has contributed to the failure of more than one property in the past. Two current rail merger propositions, he noted, include lease provisions: the Norfolk & Western lease of the Wabash (with provision for eventual acquisition); and the lease of the Spokane, Portland & Seattle by the Great Northern Pacific & Burlington (which carries at least the implica-

(*Continued on following page*)

TRANSPORT FORUM EYES MERGERS *(Continued from page 33)*

tions of eventual unification).

● Control can be attained through acquisition of stock. Here again, there's a certain economy of capital involved—and, sometimes significantly, here the cooperation of management of the acquired road isn't essential to the acquisition (although it helps). Among the merger schemes being progressed along these lines today: Pennsylvania-Lehigh Valley; the Western Pacific control dispute, pitting Santa Fe against Southern Pacific; and the Baltimore & Ohio control case, with New York Central opposing Chesapeake & Ohio.

● One carrier may purchase another outright—an expensive gambit under most circumstances, but one used by Chicago & North Western in its consolidation with Minneapolis & St. Louis.

No one method can be tabbed as best, Mr. Baker emphasized. Each must be assessed with due regard to risks involved and in light of specific situations under consideration.

In any event, consolidation of any type takes time. And some forms of unification involve added risks which some carriers have taken—to their regret.

Martin L. Cassell, Rock Island general solicitor, pointed out that the time lag from application to approval in recent merger cases has run from a few months to more than four years—with the C&NW holding the modern record for quick action and the Toledo, Peoria & Western control case lagging the longest.

North Western, he recalled, won approval of consolidation with the Litchfield & Madison in less than five months, and then followed up with acquisition of the M&StL in just a bit more than five months. The L&M application developed no opposition—and in the M&StL proceeding, C&NW presented "a well-organized case" in which potential opponents had been met and satisified before becoming actual foes. And C&NW, Mr. Cassell reminded the conferees, used a further speedup strategy in moving for a final order immediately, thus bypassing the recommended report stage which such an application normally goes through.

The TP&W control case, he noted, was a bitterly-fought affair which went to the Supreme Court for a decision—and it ate up four and a half years from application to entry of a final order. Even this time, he indicated, may not be a maximum, since the TP&W dispute was progressed rapidly, with "no undue delays" at any point.

Overall, Mr. Cassell estimated, an ordinary rail merger case will take about two years from application to order, "where there are no undue complications." Motor carrier mergers, he added, normally move a bit faster—figure six to eight months, on the average.

Rock Island's general solicitor then added another caution to the growing list: that, while the objective of merger may be control of another organization, the law doesn't permit a carrier to buy and then apply. Frisco ran into trouble here in its attempt to secure control of Central of Georgia—and a number of motor carriers, Mr. Cassell said, have fallen into the same problem. Currently, he commented, the U.S. Department of Justice is seeking dismissals in two cases—the B&O and WP control cases—and these actions "may produce a definitive answer as to what is premature control."

Planning for merger itself in the broad sense came in for considerable discussion. J. Handly Wright, AAR vice president, emphasized the railroads' position that consolidations and mergers "can and should be developed on a voluntary basis" under provisions of Section 5(2) of the Interstate Commerce Act, which are "well designed to permit effective, sound mergers between companies."

A somewhat different slant, however, came from James M. Landis, special assistant to President Kennedy. Merger, he commented, has numerous proponents and opponents—and "what side one supports seems to depend on whose ox is being gored, and our legislative criteria seem to indicate that one must be on both sides at the same time."

Two factors, he said, "stand out starkly with regard to this problem. One is that the techniques with which we approach the problem seem to me to be appalling. No planning, on a regional basis, with the public interest in mind, precedes the presentation of the enormous issues presented by a proposal. No guardian of the public interest is there to see that the issues are completely and fully presented. And . . . the manner of their presentation through the technique of a trial seems as archaic and as unlikely to reach to the entrails of the problem as the old custom of trial by ordeal. That, in any event, was shorter and the outcome more certain.

"The second factor is that, given a dimly desirable pattern, the incentives for management to try to approach that pattern are absent, except insofar as private gain is likely to coincide with the public good. . . Only now, as the need for contraction and for girding our loins to meet the growing competitive forces become apparent, has movement characterized this situation. But it has been sporadic and planless from the standpoint of government."

Lack of planning, coordination and agreement in industry itself loomed as a problem area in the comments of Frank L. Barton, deputy under secretary of commerce for transportation.

Among the railroads, he contended, "there is no consensus on consolidation policy. The division of industry appears to be based on conflict of interest. While the railroad industry appears to favor unanimously the principle of consolidation and sees its advantages in toto, it cannot translate this feeling into accomplishment. Railroad fights railroad in individual cases and calls for intervention of government—first to protect its own interest in each case and second to offer general guidelines to the industry in reaching a rational consolidation goal."

ICC Should Lead

"I believe that the first burden for consistent action falls on the Interstate Commerce Commission. The Commission should make the effort to lead and guide the common carrier industry into a suitable structure for its future activities. Merger and consolidation should be used where necessary to promote the progress of the industry. Conversely where merger and consolidation jeopardize that progress, they should be discouraged."

Also included in the intensive, two day examination of transport mergers were presentations by John B. Heath, lecturer in economics, University of Manchester, England; Prof. Vance Kirby, Northwestern University Law School; Allan C. Flott, Department of Research and Transport Economics, American Trucking Associations, Inc.; William G. Mahoney, partner, Mulholland, Robie & Hickey; Clarence Sayen, president, Air Line Pilots Association; David Axelrod, partner, Axelrod, Goodman & Steiner; Theodore I. Seamon, attorney; William Emery, partner, McDermott, Will & Emery; Lester Asher, partner, Asher, Gubbins & Segall; Prof. Victor G. Rosenblum, Department of Political Science, Northwestern University; Prof. Richard B. Heflebower, Department of Economics, Northwestern; and Charles L. Dearing, executive director, Illinois State Toll Highway Commission. Meeting chairmen included Owen Clarke, C&O vice president; John W. Barriger, president, Pittsburgh & Lake Erie; E. G. Plowman, vice president, United States Steel; and Franklin M. Kreml, director of the Transportation Center at Northwestern.

PEOPLE IN THE NEWS

BALTIMORE & OHIO.—**William E. Pyne** appointed manager of public relations, Baltimore, Md. **Miss Virginia Tanner** named assistant manager of public relations and will continue to be editor of the B&O Magazine.

CANADIAN PACIFIC.—**Jack J. Trainor**, general agent, Chicago, transferred to New York, succeeding **F. L. McCloskey**, retired.

CHESAPEAKE & OHIO.—**Robert E. Calloway** appointed general agent, Los Angeles, Calif., succeeding **David R. Evans**, who retired Aug. 31.

DELAWARE & HUDSON.—**Thomas J. Bradley**, diesel supervisor, appointed master mechanic, equipment department, Colonie shops. **Walter E. Travis** appointed assistant superintendent of equipment, Albany.

ERIE-LACKAWANNA.—**James H. Williams**, assistant district sales manager, Kansas City, Mo., appointed district sales manager, Omaha, Neb., succeeding **Edward Havlicek**, who retired Aug. 31.

FRISCO.—**W. T. Bryan** appointed superintendent-district manager-sales, Western division, Enid, Okla.

Glenn L. Davis, principal assistant mechanical engineer, Springfield, Mo., retired Aug. 31.

GULF, MOBILE & OHIO.—**B. W. Fiedler** appointed district freight traffic manager, Detroit, Mich., succeeding **A. Bruce Sutton**, who retired Aug. 31. **Lynn W. Miller** named district freight and passenger agent, Denver, Colo., with jurisdiction over both Denver, Colo., and Salt Lake City, Utah, territories, succeeding **Clyde E. Jensen**, granted leave of absence account of health.

LOUISVILLE & NASHVILLE.—**J. E. Nall, P. W. Lawrence** and **R. L. Hawkins**, district freight agents, appointed general agents, with headquarters as before at Lexington, Ky., Houston, Tex. and Dallas, Tex., respectively. **Eric Ellis**, district freight agent, Gadsden, Ala., named general agent, Cleveland, succeeding **J. F. Mann**, appointed assistant to general coal freight agent, Louisville, Ky. Mr. Ellis' successor is **M. J. Jones**, commercial agent, Selma, Ala. **A. J. Jansson**, district freight agent, Little Rock, Ark., named general agent, Kansas City, to replace **I. J. Borders**, retired. **L. C. Pollard**, traveling freight agent, Little Rock, replaces Mr. Jansson. **R. S. McAfee**, general freight agent—sales and service, Louisville, appointed division freight agent, St. Louis, succeeding **J. J. Gleeson**, retired. **C. J. Wetzel**, assistant to coal traffic manager, Louisville, named assistant to manager, coal traffic. **Carl Jewell**, general freight agent, Louisville, retired.

MAINE CENTRAL.—**M. C. Olsen** appointed to the newly created position of assistant sales manager, Portland, Me. **C. B. Jones**, assistant general freight agent—sales, named to the newly created position of assistant to sales manager. **T. E. Grover**, general freight agent—sales, resigned, and that position abolished.

MILWAUKEE.—**W. Frank Findley**, foreign freight agent, Seattle, has exchanged positions with **Harry A. Sauter**, foreign freight agent, Chicago.

MISSOURI PACIFIC.—**P. P. Wagner, Jr.**, division engineer, Omaha division, Falls City, Neb., has exchanged positions with **D. J. Bertel**, division engineer, DeQuincy division, DeQuincy, La.

NORFOLK & WESTERN.—**Walter A. Light**, coal traffic manager—service, Roanoke, Va., promoted to coal traffic manager—rates, succeeding the late **Fred B. Wright. Lawrence T. Forbes**, district manager, coal traffic, Beckley, W. Va., succeeds Mr. Light. **William H. Hunton**, assistant district manager, coal traffic, St. Louis, succeeds Mr. Forbes. **Charles E. Welsh** replaces Mr. Hunton. **William D. Roe**, assistant to general coal freight agent, Roanoke, named assistant general coal freight agent, a new position.

Harold E. Carter, superintendent, Pocahontas division, Bluefield, W. Va., named general agent and superintendent at Norfolk, succeeding **M. Edward Bowman**, transferred to Princeton, W. Va. as superintendent, New River division. Mr. Bowman replaces **Hobart L. Scott, Jr.**, who succeeds Mr. Carter on the Pocahontas division.

Carl G. Carbaugh, general supervisor, roadway material yard, Roanoke, appointed assistant superintendent—maintenance of way, Scioto division, Portsmouth, Ohio, succeeding **Harry B. McColgan**, who retired Aug. 31. **George R. Janosko**, assistant manager—roadway maintenance, succeeds Mr. Carbaugh.

In an exchange of positions, **A. Francis Wilson**, trainmaster, Radford division, moved to the Shenandoah division and **Louis M. Newton** transferred to the Radford division.

NORTHERN PACIFIC.—**Marvin H. Nixon**, industrial agent, appointed western manager of industrial development, Seattle, Wash., succeeding **J. T. Moore**, who retired Sept. 1.

ONTARIO NORTHLAND.—**G. W. Willoughby**, assistant auditor of revenues, appointed auditor of revenues, succeeding **H. W. Stuckey**, retired.

READING.—**Charles A. Murphy**, general agent, Detroit, Mich., retired July 31, and was succeeded by **Harold E. Pauli** (RA, Aug. 21, p. 35).

SEABOARD.—**F. R. Edwards, Jr.**, commercial agent, Atlanta, Ga., appointed general agent, Chattanooga, Tenn., succeeding **Jerry Smith**, who has been named division freight agent, Birmingham, Ala.

SOUTHERN.—**Albert J. Hinton, Jr.**, and **Carl T. Hester, Jr.**, appointed to the newly created positions of manager, co-ordinated rail-highway operations at Washington, D. C., and Atlanta, Ga., respectively.

SOUTHERN PACIFIC.—**Frank W. Converse**, tax agent, Los Angeles office, appointed assistant tax commissioner, San Francisco.

Robert W. King, editor and public relations representative, Southern California territory, promoted to assistant public relations manager, Los Angeles.

TEXAS & PACIFIC.—**Donald A. Scrivner**, district manager-freight sales, Tulsa, Okla., appointed regional manager-freight sales, Chicago, to replace **Robert W. Gaines**, promoted (RA, Aug. 21, p. 35). Mr. Scrivner's successor is **James W. McCoy**, transferred from Oklahoma City, Okla.

Robert J. Anderson named sales service administrator, Dallas, Tex.

UNION PACIFIC.—**Stanley A. Foredeen** appointed assistant to traffic manager, Portland, Ore., effective Sept. 1, succeeding **Robert D. Toomey**, named general agent, freight department at that point, to replace **Donald Sutherland**, who retired Aug. 31. **Armond C. Taylor** appointed general traffic agent, Aberdeen, Wash.

CALIFORNIA'S
welcome to the world



Miramar
and NEW TOWER California's World-Famous Resort overlooking the Blue Pacific where Wilshire meets the sea. Twenty minutes from International Airport. 450 luxurious rooms and bungalows, all with television and radio. Complete convention facilities. Banquet rooms for up to 2,000, air-conditioned. Exciting new Venetian Room and Cantonese Room. Swimming pool Beautiful grounds and landscaped gardens. Rates from $8.

Across the U.S.A. and in HAWAII
MASSAGLIA
CREST OF GOOD LIVING
JOSEPH MASSAGLIA, JR., President

MASSAGLIA HOTELS
• SANTA MONICA, CALIF. Hotel Miramar
• SAN JOSE, CALIF. Hotel Sainte Claire
• GALLUP, N.M. Hotel El Rancho
• ALBUQUERQUE, Hotel Franciscan
• WASHINGTON, D.C. Hotel Raleigh
• HARTFORD, CONN. Hotel Bond
• PITTSBURGH, PA. Hotel Sherwyn
• CINCINNATI, O. Hotel Sinton
• HONOLULU Hotel Waikiki Biltmore
World-famed hotels
Teletype service—Family Plan

Supply Trade

Eagle E. Vondergoltz has been appointed manager of product development, **Stran-Steel division, National Steel Corp.**, Detroit.

Meredith C. Rea has been named sales engineer, Western district commercial sales group, **Lenkurt Electric Co.** Mr. Rea will be responsible for a customer group including electric power companies, pipelines, and railroads in Hawaii, Washington, Oregon, California, Idaho, Montana, Nevada, Wyoming, Utah, Colorado, Arizona, New Mexico, and El Paso county in Texas.

Charles Ruckser has been appointed plant superintendent and chief engineer, **Davis Brake Beam Co.**, Johnstown, Pa., succeeding **C. K. Stillwagon**, retired.

OBITUARY

Samuel M. Farrell, 66, retired assistant passenger traffic manager, **Great Northern**, died Aug. 24 at Tucson, Ariz.

You Ought To Know...

Chicago's new Northwest Expressway has lured 9.5% of C&NW's commuters to private autos, the road's vice president and comptroller, L. S. Provo, told an ICC hearing. He said North Western's commuter service, in the black during the last two years, lost $1,091,000 during the first six months of 1961 and is expected to lose "substantially more than $2,000,000 by the end of the year."

Wabash and Nickel Plate won't lose their identity if and when they're consolidated into Norfolk & Western. Presidents of the three roads issued a statement last week saying that after merger the properties would be known as the Nickel Plate and the Wabash Regions of N&W.

A new industrial park of 95 acres is planned for Greenville, S. C., by Atlantic Coast Line. In announcing a program for immediate development of the area, ACL President W. T. Rice said: "The purchase and development of this property for industrial purposes is in line with Coast Line's policy of long-range planning for new and expanded industries in South Carolina and throughout its six-state area in the Southeast."

New York City Transit Authority's request for $185,820,000 to buy 1,580 new subway cars (RA, July 17, p. 31) went to the City Planning Commission last week. NYCTA Chairman Charles L. Patterson indicated that if the city refuses to include the money in its new capital budget, the authority will make a new effort to finance the cars through issuance of bonds secured by a pledge of transit revenues. The state legislature turned down a similar bond-issuance appeal last year but promised to give the plan further consideration in 1962 (RA, March 27, p. 7).

Panel discussions on distribution management, electronic data processing and regulation of transportation will feature the first day of the American Society of Traffic and Transportation's annual meeting, at Philadelphia, Sept. 6. Luncheon and dinner sessions will be addressed by, respectively, Richardson Dilworth, mayor of Philadelphia, and Dr. A. H. Williams, chairman of the board of trustees of the University of Pennsylvania, where the panel sessions will be held. AST&T business meetings are scheduled for Sept. 7.

Round-trip travel between Baltimore or Washington and Pittsburgh is now available at $11.63, the one-way rate, if the trip is completed in 15 days. B&O says the new rates on its "Daylight Speedliner" service are 25% lower than the former 30-day round-trip rates. The new fares will be in effect until Feb. 28, when, says B&O, they will be reviewed to see if anticipated increased patronage justifies their continuance.

Stanray Corp. has been awarded a contract to supply railway equipment and service for transportation of spent fuel elements from the Dresden nuclear power station of Commonwealth Edison Co. near Morris, Ill., to the Savannah River facilities of the Atomic Energy Commission. Stanray earlier won a contract for transporting spent fuel elements from the N. S. Savannah, world's first nuclear-powered merchant ship (RA, Feb. 6, p. 32).

Treated wood products, chemical coatings, and thermal insulation, all used by railroads, are among the materials which are under investigation at the new $8.5 million research center near Pittsburgh, Pa., which was dedicated by Koppers Co., last week.

Reading TOFC service is being extended to 11 new points in northern Pennsylvania. This brings to 275 the number of communities in Pennsylvania, New Jersey and Delaware served by Reading's piggyback. The 11 new points will be served through the TOFC ramp at Reading.

Gov. Nelson Rockefeller of New York will appear at an ICC hearing Sept. 11 to testify on the rival bids of New York Central and Chesapeake & Ohio for control of Baltimore & Ohio. The State of New York is concerned, said Governor Rockefeller, because "the proposed mergers of major railroads . . . are the beginning of what may well develop into a basic reorganization of the railroad map for all eastern territory."

Northern Pacific passenger revenues continue their upward trend with first half 1961 revenues up 6.1% over the corresponding period last year and long-haul passengers carried between Minneapolis and Spokane (NP index points) increasing 17.7% above mid-year 1960 figures. Total number of long-haul passengers carried on NP trains during 1960 was the greatest in 11 years, a 77% increase over 1950.

General Electric will build a new multi-million-dollar Cleveland Apparatus Service Shop, a 110,000-sq-ft facility equipped to handle overhaul and repair of locomotives, steam turbines and generators, transformers and industrial motors of all sizes. Facilities will include an inside-the-building railroad siding, 600-ton hydraulic press, 30,000-lb precision balancing machine and one to 100-ton overhead crane coverage.

REA Express is ready to expand its already extensive use of motor common carriage, according to REA President W. B. Johnson. "We hold out the olive branch to the motor carrier industry," he said in a speech at St. Paul, Minn., "because we believe that our terminals combined with their service over the roads will in many instances do the best job for the public." Mr. Johnson added that the public interest had not been served by the continuing harassment before federal and state regulatory commissions by motor carriers of REA rates and truck route certifications. REA is ready and wants to use motor carrier service where the public interest is benefitted, he said.

CLASSIFIED ADVERTISEMENTS

WANTED

Car Builders and Locomotive Cyclopedias and Dictionaries prior to 1935. Please state price, year, and condition of book. Write Box 967, RAILWAY AGE, 30 Church Street, New York 7, New York.

Robert W. Hunt Company
ENGINEERS
Inspection—Tests—Consultation
All Railway Equipment
General Offices:
810 S. Clinton Street
CHICAGO 7
All Principal Cities

FOR SALE

Railway Executive Business Car—excellent condition. For further details address Box 968, RAILWAY AGE, 30 Church Street, New York 7, N.Y.

SALE OR RENT

50 Ton, Whitcomb Diesel Electric Locomotive, New 1951
65 Ton Porter Diesel Electric Locomotive, 400 H.P. Cummins Super-Charged Engines
B. M. WEISS COMPANY
Girard Trust Bldg.
Philadelphia 2, Pa.

KEEP BUYING
U.S.
SAVINGS
BONDS

WANTED

Railroad tokens — passes from obsolete railways. Passes must be metal, plastic, or paper. *No Tickets Wanted.* Employees tokens also wanted. Wayside Transit Token Exchange, Inc., Box 415, Hagerstown, Md.

DATA SHEETS

A 32 page booklet, "Meters and Test Equipment" covers such subjects as Basic Meter Movements, Ammeters, Voltmeters, Insulation Testers, Decibel Measurements, Oscilloscopes, and the West Test Set. A brief test of the material covered is included. The booklet is designed to give the signal and communications maintainer or helper valuable information on his most important tool—his test equipment. Available at 50 cents each from

Robert W. McKnight, Editor
Railway Signaling and Communications
Dept. RA, 30 Church Street, New York 7, N. Y.

Advertisers' Index

General American Transportation Corp. 3
Henschel-Werke ..... IFC
Hunt Company, Robert W. 37
Jackson Vibrators, Inc. 6
Kerite Co., Inc., The ..... IBC
Messaglia Hotels 35
Ortlip Co., Harry F. 28
Railway Educational Bureau 8
Ross & White Co. ..... BC
Simmons Boardman Publishing Corp. 23
Speno RR Ballast Co., Inc., Frank 37
Standard Railway Equipment Division of Stanray Corp. 4
Wayside Transit Token Exchange, Inc. 37
Weiss Company, B. M. 37

S-T-R-E-T-C-H
Your Maintenance of Way BUDGET DOLLARS
By Using

SPENO Ballast Cleaning Service
Rail Grinding Service

Our contract arrangement for these services obviates the necessity for any capital investment on the part of the Railroads and protects them as to cost for this type of work.

We have been servicing the Railroads continuously for over 45 years and have yet to lose a customer.

THERE MUST BE A REASON FOR THIS

Just Ask the Railroads That have used us!

RPI MEMBER

FRANK SPENO RAILROAD BALLAST CLEANING CO., INC.
Clark Street, East Syracuse, N. Y.
306 North Cayuga St, Ithaca, N. Y.



A Guide to Your Financial Success

INVESTMENTS

Principles, Practices and Analysis

by DOUGLAS H. BELLEMORE

Professor of Finance,
New York University.

A recently published, exhaustive treatment of basic investment principles and current practices designed to provide the investor with authoritative and time-tested guidance in formulating sound individual or institutional investment policy. Several chapters are devoted to the important problem of how to analyze the worth of an individual security. An entire chapter is devoted to *the analysis of railroad securities.* Clearly written, scores of charts and tables, 898 pp., 6 x 9, cloth bound. $10.00.

Simmons-Boardman Books, Dept. R.A. 9-4
30 Church St., New York 7, N. Y.

Send a copy of Bellemore's INVESTMENTS, for which I enclose $10.00 (we pay postage if remittance accompanies order).

Name .....

Street .....

City ..... State .....

How Adequate Are Managers?

It is probably inevitable, when an industry encounters as many difficulties as railroads have, that the accusation of "poor management" will frequently arise. But the figures on the bottom line of an income statement, by themselves, give no significant information whatever from which the quality of management can be judged. The Confederates lost the War Between the States, but not even General Robert E. Lee's enemies would have put him down as an incompetent commanding officer.

If General Lee had had men and munitions to match those of his opponents, the outcome of the conflict might well have been different. If the management of any one of the railroads now in financial difficulties had had the freedom of action and the aid from the public treasury that have bolstered the efforts of some of the country's more successful highway, waterway and aviation enterprises—then these railroads might also be in clover.

The charge of "inadequate" management ought not to be unanswered, though—if for no other reason than the fact that silence is usually taken to indicate agreement. Some of the salient sectors of the railroads' difficulties should be noted, along with the efforts managements have put forth to confront and surmount these difficulties. Let's look at a few of these primary problems:

Archaic Working Rules—President Norris Crump of the Canadian Pacific certainly deserves the credit for initiating the meeting head-on of the issue of unneeded firemen; for his candid strategy in presenting the issue to the people of Canada; and for the ultimate victory which rewarded his efforts. The railroads of the U.S. have certainly not been remiss in publicizing this issue, and by exerting themselves to resolve it—on a much broader basis than has yet been attempted in Canada.

Equality of Regulation—U.S. railroads have endeavored by multitudinous means to arouse the public to its selfish interest in either "deregulating" railroads, or in increasing the degree of regulation of rival agencies of transportation—so that all will be regulated alike. Railroads still lack freedom to make rates regardless of the objections of their rivals, but some progress has been made in this direction.

"User Charges" on Publicly Provided Transportation Property—Here again, railroad efforts to arouse public interest have been manifold and intensive.

Exorbitant and Unequal Taxation—The fact that railroads pay high taxes on their property and that highways, airport facilities and improved waterways are exempt—is becoming more and more widely recognized, primarily because of the reiterated exposition of the situation by railroad people.

The "Passenger Deficit"—The authority granted to the ICC by the Transportation Act of 1958 to permit discontinuance of unremunerative schedules was a clear-cut and hard-won victory for railroads. The question of covering the cost of necessary services which find it hard if not impossible to earn all their expense has still not been definitely solved —but intensive educational efforts are continuing in this area, and with an impressive degree of acceptance on the part of the influential public.

Innovations in Rate Making—Getting railroad rates to correspond more closely to the relative economy of railroad costs (hence strengthening the railroads competitively) is going forward just about as fast as the slow-moving machinery of regulation will permit. There is plenty of experiment and analysis in progress in this area, and speeding up the process (if the regulators will cooperate) could be most beneficial.

Mergers and Improved Technology—No one can contend that there is lack of intensive effort to bring about desirable mergers; or that improved technology is not being applied in railroading as rapidly as resources will permit.

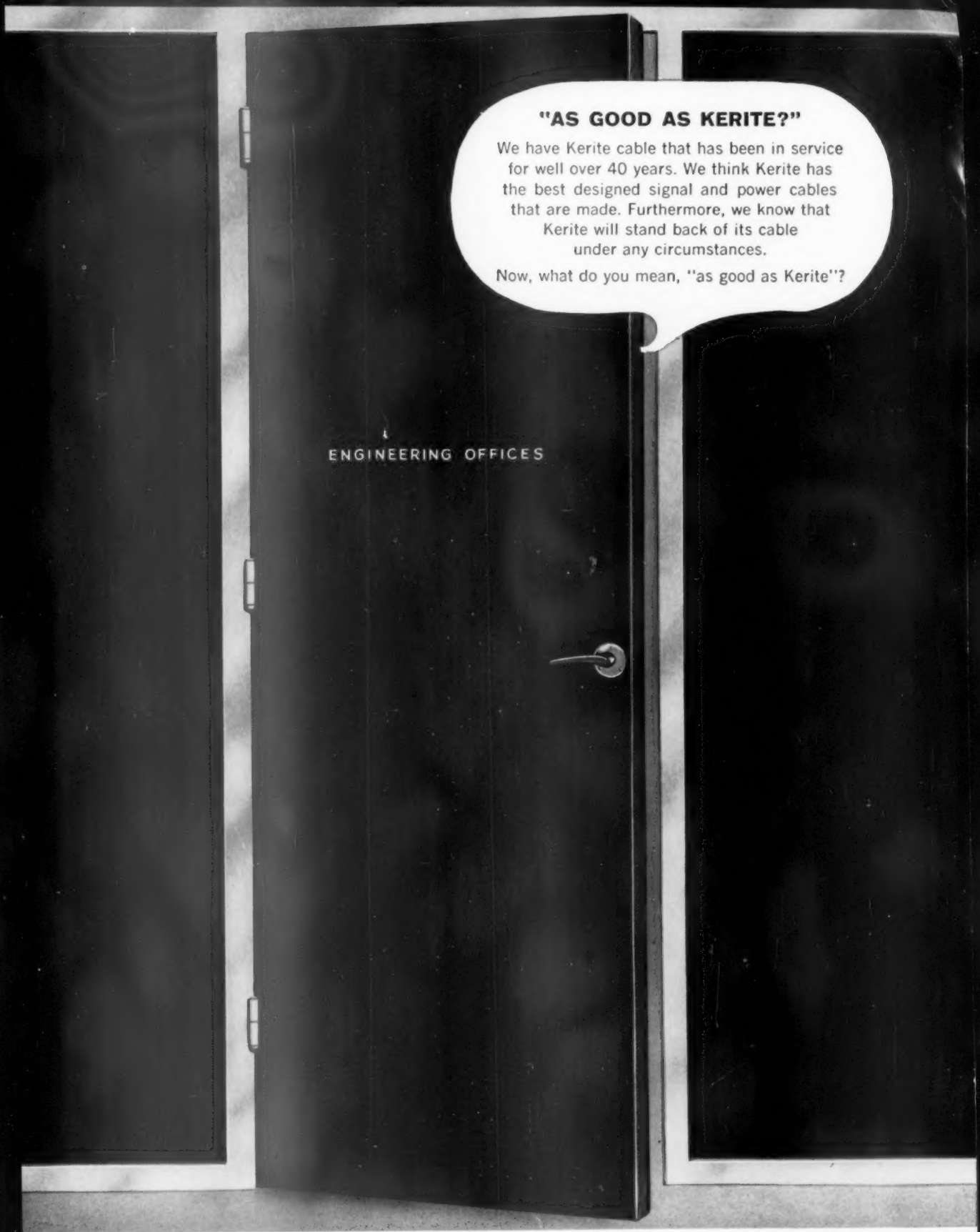
"Diversification"—In addition to the determined efforts of the Illinois Central and Southern Pacific to find out how far railroads may go in "diversifying," under present limitations—it is also significant to note the moves being made by a couple of large Eastern railroads to handle package freight more largely by truck.

SET THE RECORD STRAIGHT

The foregoing list of major issues on which railroad management is collaborating by no means exhausts even the more important challenges that confront the industry. Does the communications industry, or the chemical industry, or automobile manufacture, or the oil business find itself with any such list of serious problems to solve? Of course, none of them does.

However formidable the list is for railroads, though, merely calling attention to these problems is no substitute for persistent and undiscouraged efforts to solve each and all of them. Railroads still have working for them the fundamental economic fact that they provide the most efficient means for moving the bulk of the nation's freight traffic (and a substantial volume of passenger business).

Railroad management is doing a much better job than it gets credit for doing. It could well afford to expend more of its public relations effort to secure recognition of this fact.



THE KERITE CO., 30 CHURCH ST., NEW YORK 7, N. Y. DESIGNERS AND MANUFACTURERS OF PREMIUM GRADE INSULATED WIRE AND CABLE, SPLICING TAPE, RUBBER CEMENT. AGENTS IN PRINCIPAL CITIES. A MEMBER OF RAILWAY PROGRESS INSTITUTE.



267

You can reduce inside car cleaning costs by 50% or more, with this new portable

BUCK CYCLONE CLEANER*

Now you can clean passenger cars, baggage cars, mail cars, dining cars, locomotives, etc. faster and at less cost than ever before. For example; tests show one man can completely clean the inside of one passenger car of all dust, dirt, and debris in less than 15 minutes with one spotting of the new Portable "Buck" Cyclone Cleaner. In addition, cars come out smelling fresher, cleaner, more appealing.

Here's how it's done. The portable "Buck" Cyclone Cleaner might be compared with a giant vacuum cleaner. The machine is positioned at one door and the door at the other end is opened. The machine is turned on and 37,000 cubic feet of air a minute is drawn through the car taking with it all debris, dirt, dust, odors, etc. It is assisted by a man inside the car using an air hose to dislodge stubborn dirt.

This patented cleaning method has saved the bus companies literally thousands of dollars in the last ten years. Now, railroads can enjoy comparable savings. Write, wire or call for full information.

Manufacturers of: Automatic, Semi-Automatic and Manual Sand Handling Plants • "Blackhall" Stationary Train Washers • Tunnel Washers • "Wilson" Portable Train Washers • "Red Devil" Car Shakers • Automatic Window Washers • "Guardrail Maintainer" • "B & M" Sand Valves and Sand Hose • "Dual Bright 35"

*Ross and White Company is the owner of U. S. Pat. No. 2,667,629

ROSS AND WHITE COMPANY

Dept. RA-9, 400 W. MADISON STREET, CHICAGO 6, ILL.